RESIDENTIAL REPAIR AND RENOVATION IN ALBERTA

with funding provided by

Alberta

DEPARTMENT OF HOUSING
Innovative Housing Grants Program

RESIDENTIAL REPAIR AND RENOVATION IN ALBERTA

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Prepared by:

Clayton Research Associates Ltd.

Prepared for:

Alberta Home Builders' Association

The views and conclusions expressed and the recommendations made in this report are entirely those of the authors and should not be construed as expressing the opinions of Alberta Municipal Affairs.

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FOREWORD

The project documented in this report received funding under the Innovative Housing Grants Program of the Alberta Department of Housing. In May, 1986 the Alberta Department of Housing was amalgamated with Alberta Municipal Affairs which is now responsible for issuing this report.

The Innovative Housing Grants Program is intended to encourage and assist housing research and development which will reduce housing costs, improve the quality and performance of dwelling units and subdivisions, or increase the long term viability and competitiveness of Alberta's housing industry.

The Program offers assistance to builders, developers, consulting firms, professionals, industry groups, building products manufacturers, municipal governments, educational institutions, non-profit groups and individuals. At this time, priority areas for investigation include building design, construction technology, energy conservation, site and subdivision design, site servicing technology, residential building product development or improvement and information technology.

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Innovative Housing Grants Program
Alberta Municipal Affairs
10050 - 112 Street
Edmonton, Alberta
T5K 2J1

Telephone: (403) 427-8150

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APPENDIX

EXECUTIVE SUMMARY

The Alberta Home Builders' Association commissioned Clayton Research Associates Limited to prepare this report on the nature, extent and attributes of residential repair and renovation (R&R) construction in Alberta. The report was financed under the Innovative Housing Grants Program of the Alberta Department of Housing.

The main findings of the report are presented below.

- R&R work has accounted for a greatly increased share of total residential construction in Alberta in the past two years due mainly to the sharp decline in new construction work in the province. Estimates prepared for this report indicate that expenditures on R&R work in Alberta have averaged about $850 million in 1984 and 1985, well above the $570 million estimated expenditures on new residential construction.

- New construction is expected to recover over the next few years and to again account for the largest share of total residential construction. However, R&R spending is also expected to grow over the next decade and will account for a significantly larger share of total residential construction than was the case prior to 1984.

- Almost 70 percent of Calgary and Edmonton homeowners undertake R&R work each year, the average expenditure of those undertaking R&R work is $2,800 annually. While R&R occurs each year for most types of homeowners and dwellings, there are higher incidences of R&R for some:

  - Older dwellings tend to have a higher incidence and average amount spent on R&R than newer dwellings - mainly upgrading work needed to bring the dwelling up to more modern standards or to replace worn out equipment in the dwelling.

  - There is a positive correlation between the incidence and value of R&R work and both the value of the dwelling and income of the owner - R&R appears therefore to be related to the ability of the owners to afford to undertake work which would make the dwelling more suitable to their perceived needs and lifestyles.

  - Middle-aged homeowners and families with children tend to have a high incidence of R&R - this is likely a reflection of the need for expansion or major alterations to dwellings occupied by growing families.

  - Improvement of the value of the dwelling for resale does not appear to be a major factor in R&R though it is, no doubt, a consideration of owners undertaking such work - making the dwelling more suitable to the needs and lifestyles of the owners appears to be most important.

- While almost 70 percent of Calgary and Edmonton homeowners undertake R&R work each year, most spend relatively small amounts. Only 40 percent spent more than $1,000 and only three percent spent more than $10,000 in the past twelve months.

- The most common types of R&R work are exterior and interior painting, landscaping work, fencing, plastering and drywall, carpets and floor work and bathroom work. The average amount spent varies substantially from job to job; however, most of the common R&R expenditures cost $1,000 or less.

- The share of homeowner R&R work which is undertaken by contractors as opposed to do-it-yourselfers varies significantly depending on the type of work. In general, it appears that slightly more than half the total value of all homeowner R&R work is completed by contractors.

- Opportunities appear to exist for an expansion of the amount of homeowner R&R work undertaken by builders. The overall level of R&R expenditures is expected to rise significantly over the next decade and the share of the work done by contractors is expected to rise as well.

- There are a variety of measures which may assist builders in expanding the size, as well as tapping a larger share, of the R&R opportunities in Alberta:

  - First and foremost, builders must move to upgrade the public image of the R&R industry. There are endless "horror stories" of homeowners who, rightly or wrongly, believe that contractors have not delivered on either the quality or price of R&R work agreed to. The public generally does not understand the difficulties faced by R&R contractors in estimating costs for work and the necessity to hire a reputable contractor rather than necessarily accept the lowest bid. Homebuilders' associations can assist in this regard by undertaking a public awareness campaign on these issues and by maintaining and policing a list of R&R contractor members and the degree of satisfaction of homeowner clients of these firms. In addition, measures such as a code of ethics, a standardized R&R contract and possibly a warranty program for renovations would assist in allaying the public's fears about R&R contractors. To achieve and maintain the necessary public trust, however, the homebuilders' associations must be prepared to step in and correct problems and to discipline, and possibly bar, members who do not achieve the standards of work and consumer relations that homeowners demand.

  - In appealing to the market for renovations to existing homes as an alternative to homeowners' moving to a newer or larger dwelling, builders must communicate to the homeowning public that renovations represent a viable, cost-effective alternative. Demonstrations of the changes that can be made to typical older houses (to make them more acceptable to changing family circumstances and lifestyles) with suitable media coverage would assist in this communication process.

- Builders interested in undertaking major renovations for homeowners should be prepared to offer the entire package from initial design based on the homeowners' rough ideas, through necessary municipal approvals, construction, clean-up and follow-up on consumer complaints. Most homeowners do not have the capability or interest to undertake much of the non-construction background work involved and builders need to be prepared and capable of offering advice on all aspects of the work.

- In the repair market, there are likely opportunities for a package of ongoing repair services available to homeowners for a guaranteed price. Many homeowners do not have the knowledge to undertake even small minor repair jobs around the house and would be prepared to engage a contractor to be available to undertake work on an as needed basis at a basic hourly cost that is agreed upon in advance. Such a service would be particularly attractive to affluent homeowners who may wish to do little or none of the regular repair work necessary around the house. It would also be of interest to less affluent homeowners who need help with only some of the jobs (and where a trusted contractor would be more appealing than resorting to the telephone book) and to elderly homeowners who may not possess the physical capabilities to undertake maintenance work.

INTRODUCTION

The Alberta Home Builders' Association commissioned Clayton Research Associates Limited to prepare this report on the nature, extent and attributes of residential repair and renovation construction in Alberta. The report was financed under the Innovative Housing Grants Program of the Alberta Department of Housing.

The report is comprised of the following sections:

- What is repair and renovation? This section reviews the definitions of the types of construction activities that are considered to be repair and renovation and provides estimates of the current and past levels of repair and renovation activity in Alberta. It reviews the relative importance of repair and renovation work versus new work in Alberta as well as the proportion of repair and renovation construction which is undertaken by, or on behalf of, homeowners.

- What types of homeowners undertake repair and renovation work? This section reviews the characteristics (age, income, family type, etc.) of homeowners who undertake repair and renovation work themselves - or contract to have the work done. Information on the proportion of homeowners with various characteristics who undertake repair and renovation work is examined from several points of view including incidence of repair and renovation work, average expenditures and the share of the overall homeowner renovation market accounted for by various types of homeowners.

- What types of dwellings are repaired and renovated? This section is similar to the previous one with respect to the characteristics of homeowners who repair and renovate but relates instead to the characteristics of the dwelling (age, value, location, etc.).

- What types of repair and renovation work are done and who does the work? The types of repair and renovation work most commonly undertaken and the average expenditure on each type of work are examined in this section. The proportions of each type of repair and renovation work which are completed by contractors as opposed to do-it-yourselfers is also examined as well as the types of homeowners who tend to use contractors as opposed to being do-it-yourselfers.

- The future repair and renovation market and opportunities for homebuilders. This section reviews the outlook for repair and renovation work in Alberta and, within the context of this overall outlook, the opportunities which exist for homebuilders in this market.

An appendix describing the data sources and limitations to the data used in the analysis is also included with the report.

The information base for the report consists predominantly of the data available from two surveys:

- The main data source on the types of repair and renovation work being undertaken and the characteristics of homeowners and dwellings involved is a set of special tabulations from an enriched Alberta sample from the HOMES National Survey conducted by Environics Research Group. This HOMES (Alberta) Survey, conducted in July and August of 1985, had a sample of 600 homeowners in Calgary and Edmonton. Among other things, the survey asked respondents if they had undertaken repair and renovation work in the past twelve months as well as the nature and costs of the work. The results provide an illustrative picture of the repair and renovation market in the two major centres of Alberta. In general, the results for the two centres do not differ markedly; for this reason and in view of the small sample size, analyses of trends in Calgary and Edmonton separately have not been provided.

- The Family Expenditure (FAMEX) Survey conducted by Statistics Canada also provides useful data on repair and renovation activity for Alberta as a whole. The latest survey results relate to the year 1982 and apply to the total province, not just Calgary and Edmonton where the HOMES (Alberta) Survey responses were concentrated. Special tabulations have been obtained from Statistics Canada which provide details about the characteristics of homeowners who undertook repair and renovation work on their homes in 1982, as well as the types of work undertaken and the characteristics of the dwellings themselves.

Data from these two sources have been combined with other, mostly unpublished information from the Construction Division of Statistics Canada, to provide estimates of the overall level of repair and renovation construction activity in Alberta.

Because of the relatively small sample sizes for both the HOMES (Alberta) and FAMEX surveys, some of the survey results have not been presented because the data are not considered to be sufficiently reliable. Much of the remaining data, while not "valid" in a strict textbook statistical sense at the highest confidence levels, is still considered to be sufficiently indicative of repair and renovation trends to be a useful indicator; in cases where sample sizes are considered to be on the margin of acceptability, the data have been provided with an appropriate qualifier in terms of the small sample size. Also, where possible, results have been further substantiated with other information such as national trends or the results of other surveys or literature. To obtain results which have a very high degree of statistical reliability would require a sample size substantially larger than was feasible for this assignment.

WHAT IS REPAIR AND RENOVATION?

The terms repair and renovation describe a wide variety of activities from painting and minor maintenance through the upgrading of a part of a building (such as a kitchen or bathroom) to meet modern standards to the erection of a major addition to a building. In most people's minds, there is not a clear distinction between what constitutes repair work versus renovation.

The Statistics Canada Definitions

The definitions used by Statistics Canada for the FAMEX Survey are as follows:

- Maintenance, repairs and replacements - this category is comprised of two elements:

  - Repairs and maintenance - work undertaken on an existing structure or piece of equipment to keep it in good working condition and appearance so as to maintain it in "as new" a condition as possible. Also included are repairs done to broken, damaged or malfunctioning components of the structure or equipment. Examples include painting, caulking and various types of repairs to buildings and appliances.

  - Replacements - the installation of equipment which replaces an existing piece of equipment. An example is the replacement of an old oil furnace with a more technically advanced furnace.

- Additions - this includes the construction of structural extensions, enclosures and any additional facilities on the property. Additions include the cost of plumbing, electrical and heating equipment and built-in appliances if these were included as part of the addition.

- Renovations and alterations - this includes work done to upgrade the property to acceptable building or living standards, to rearrange the interior space or to modernize existing facilities in order to suit changing needs. Renovations and alterations may include the cost of plumbing, electrical or heating equipment and built-in appliances if these were included as part of the project.

- New installations - this refers to work undertaken to install equipment or fixtures which did not previously exist either to the inside or outside of the structure or on the property. An example is the installation of a shower stall in what had previously been a powder room or the installation of a new air conditioning system.

The FAMEX Survey presents expenditures on work by households for each of these four categories separately; however, official annual estimates pre-

pared by Statistics Canada on the overall volume of repair and renovation work are presented in only two categories:

- Repairs - comprised of maintenance and repairs; and
- Alterations and improvements - comprised of replacements, additions, renovations and alterations and new installations. A category called conversions is reported separately by Statistics Canada but it comprises less than one percent of the volume of alterations and improvements. Alterations, improvements and conversions are generally described collectively as renovations when referred to in this report.

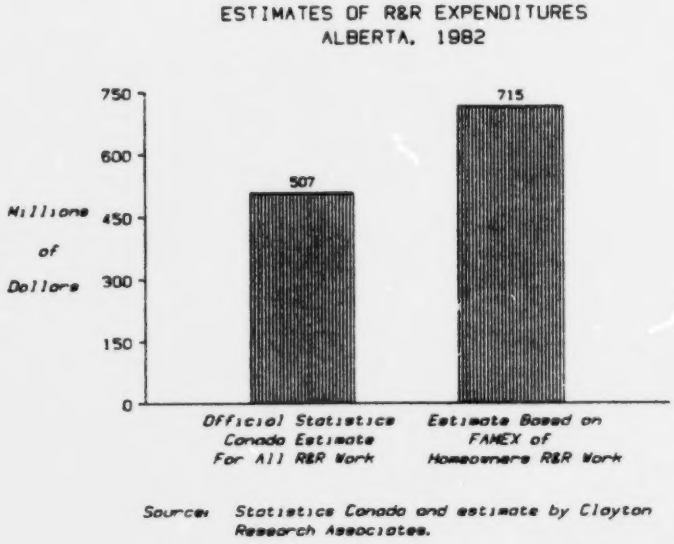
Neither the four definitions nor the two definitions appear to be sufficiently distinct from one another that one can be confident that a particular type of work would be described in the same way by all observers. For example, the order of the questions in the FAMEX Survey was changed between 1978 and 1982 and this was found to have a very significant impact on the distribution of reported expenditures on maintenance, repairs and replacements as opposed to additions, renovations and alterations and new installations.

The Definitions Used in This Report

In general, repairs and renovations (R&R) is used in this report to refer to all the types of work described by Statistics Canada as maintenance, repairs and replacements, additions, renovations and alterations and new installations. This catch-all category is the way in which the HOMES (Alberta) Survey collected the information from homeowners and, while not providing as complete a breakdown of activity as might be desirable, it is a recognition of the difficulty (and likelihood of errors) associated with attempting to classify work into a complex set of categories in a relatively short telephone interview.

Since much of this report is based on the HOMES (Alberta) Survey results, most of the analysis relates to total R&R activity. However, there are some parts of the report where a disaggregation of R&R activity based on the Statistics Canada definitions is presented. In these cases, the term "repairs" is used to refer to maintenance and repair activity while "renovations" is used to refer to alterations and improvements.

Much Larger Amount of R&R Activity Than Previously Believed



Source: Statistics Canada and estimate by Clayton Research Associates.

The official estimates of R&R activity produced by Statistics Canada seriously understate the actual volume of R&R activity in Alberta.

Estimates based on an analysis of the 1982 FAMEX Survey indicate that expenditures on R&R by homeowners totalled approximately $715 million. Maintenance, repairs and replacements ($192 million), additions ($215 million) and renovations and alterations ($217 million) account for most of the estimated homeowner R&R spending in 1982, with only an estimated $91 million spent on new installations.

The official estimate of total R&R expenditure in Alberta in 1982 is much lower - only $507 million - and this refers to R&R expenditures on rental properties as well as expenditures by homeowners. Rental R&R expenditures appear to account for roughly 20 percent of total R&R activity so it would appear that current official Statistics Canada estimates could understate homeowner R&R activity in Alberta by over 40 percent. Nothing is known about the extent of undercounting (if any) in terms of rental R&R.

The comparable figures for Canada are similar: total 1982 R&R expenditures are estimated officially to be $5.8 billion while homeowners alone are estimated (based on FAMEX data) to have spent $7.5 billion on R&R that year.

Statistics Canada is currently reviewing their R&R estimates but revisions to the official data are not expected to be released till later this year.

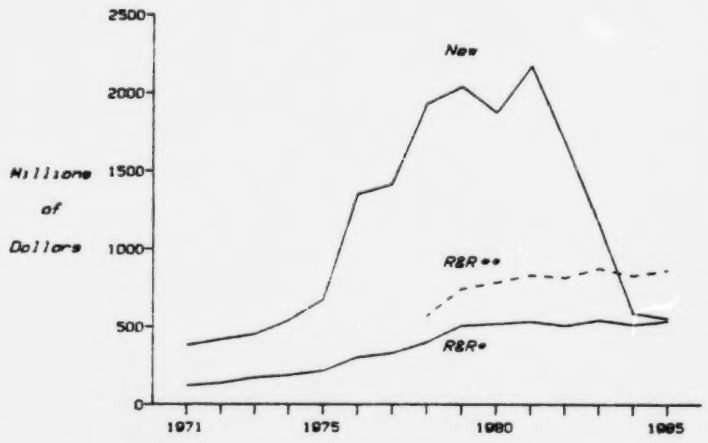
ALTERNATIVE ESTIMATES OF REPAIR AND RENOVATION EXPENDITURES
ALBERTA AND CANADA, 1982

Type of R&R Work	Alberta			Canada		
	Number of Owners Doing R&R Work (000's)	Average Expenditure ($)	Total Expenditure ($ Million)	Number of Owners Doing R&R Work (000's)	Average Expenditure ($)	Total Expenditure ($ Million)
Homeowners Only (from FAMEX)						
Maintenance, Repairs and Replacements	331	580	192	3,858	620	2,392
Additions	122	1,759	215	994	1,708	1,698
Renovations and Alterations	133	1,631	217	1,528	1,672	2,555
New Installations	102	897	91	1,015	798	810
All Homeowner R&R Expenditures			715			7,455
Official Statistics Canada R&R Estimate (including rental and ownership)						
Repairs			298			3,433
Renovations			209			2,389
All R&R Expenditures			507			5,822

Source: Statistics Canada and estimates by Clayton Research Associates.

R&R Increasingly Important Component of Alberta Construction

ANNUAL NEW AND R&R EXPENDITURES
ALBERTA, 1971-1985



* Official Statistics Canada estimate.
** Estimate by Clayton Research Associates.

Source: Statistics Canada and Clayton Research Associates.

Even using the (understated) official Statistics Canada data, it is clear that R&R has become an increasingly important component of residential construction in Alberta over the past few years. This is less because of a significant increase in R&R work than it is a result of the dramatic drop in the level of new activity.

Since 1971, R&R in Alberta (according to official estimates) increased by 345 percent from $121 million in 1971 to an estimated $539 million this year. Slightly over half this increase was due to inflation. The relatively stable R&R expenditure level since 1981 is due at least partly to falling construction costs in Alberta.

In comparison to the relatively stable increase in R&R expenditures, the annual levels of new residential construction expenditures have been very unstable. From a level of $400-$700 million annually in the first half of the 1970s, expenditures on new residential construction jumped to an average of $2 billion in 1978-1981 before commencing a dramatic decline which appears to be bottoming out in 1985 at $555 million.

Estimates prepared by Clayton Research based on the results of the 1978 and 1982 FAMEX Surveys indicate that total R&R spending exceeded the spending on new construction in both 1984 and 1985. It seems clear that, with the expected recovery in the housing market over the next few years, new work will rebound to regain the larger share of total residential construction.

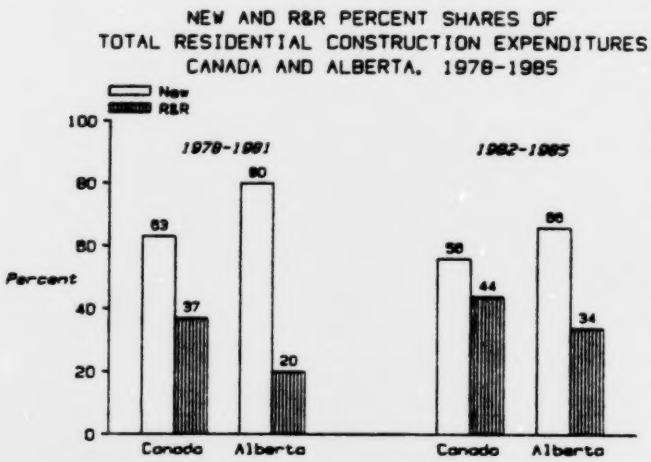
ESTIMATES OF NEW AND REPAIR AND RENOVATION EXPENDITURES
ALBERTA, 1978-1985

	Statistics Canada		Clayton Research	Clayton Research R&R as Percent of New
	New	R&R	R&R*	
	Dollars (Million)			
1978	1,930	400	566	29
1979	2,041	508	743	36
1980	1,876	519	785	42
1981	2,177	534	833	38
1982	1,684	507	817	49
1983	1,162	544	878	76
1984	589	516	830	141
1985	555	539	866	156

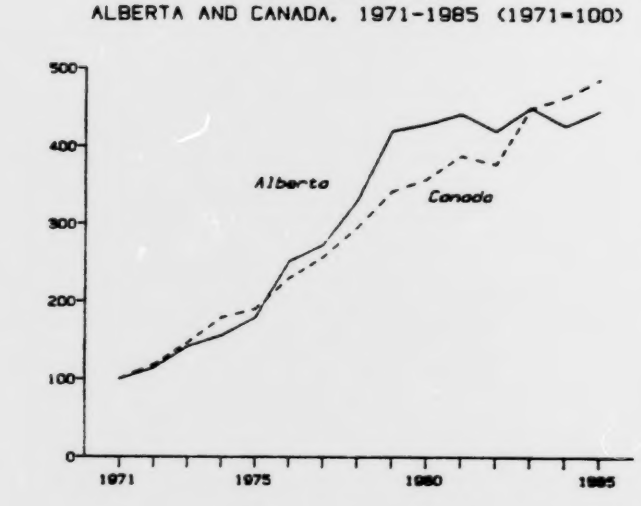
* Estimate by Clayton Research Associates based on adjustments to official Statistics Canada estimates. The adjustments pertained to the part of the official R&R data estimated (by Clayton Research) to be for ownership housing and are based on FAMEX Survey results.

Source: Statistics Canada and estimates by Clayton Research Associates.

R&R Less Important in Alberta Than Nationally



Source: Clayton Research Associates based on official Statistics Canada data.



Source: Clayton Research Associates based on official Statistics Canada data.

Compared to the rest of Canada, R&R in Alberta was a relatively small component of residential construction in the four years prior to 1982. Even with the decline in new building in the past four years, Alberta's R&R share is still lower than the national average.

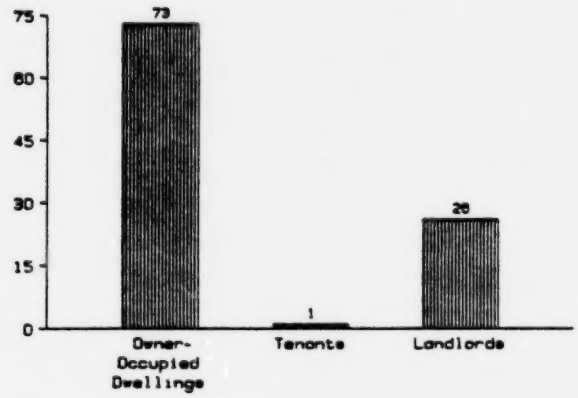
The rate of growth in R&R expenditures in Alberta over the 1971-1985 period is broadly similar to growth in R&R at the national level. Declining construction costs in Alberta (for which reliable data are not available), could account for the slow growth in R&R spending in the 1980s. It is difficult to draw conclusions from this data.

It must be stressed that these graphs are based on the current official Statistics Canada estimates which are considered to seriously understate R&R expenditures. Preparation of revised R&R estimates for both Canada and Alberta was beyond the scope of the report. Nonetheless, the trends apparent in the analysis (if not the actual estimates) are probably roughly valid since the understatement of R&R expenditures in 1982 was proportionately similar for both Canada and Alberta.

A major reason behind the proportionately small share of total residential construction comprised of R&R activity in Alberta compared to the country as a whole is growth: the average increment of new housing built annually in Alberta (i.e., new construction expenditure) compared to the size of the existing stock is much larger in Alberta than in most parts of Canada. For example, even in the relatively depressed 1982-1984 period, average annual housing starts in Alberta represented 2.1 percent of the 1981 housing stock. This compares to 1.6 percent for Canada as a whole.

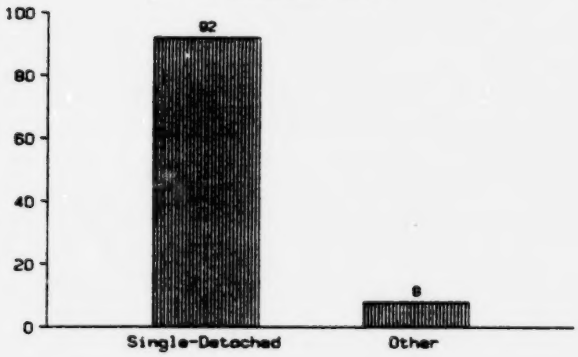
Homeowners Undertake Most R&R Work

PERCENT SHARE OF REPAIR EXPENDITURES BY TENURE
ALBERTA, 1984



Source: Statistics Canada

PERCENT SHARE OF BUILDING PERMITS FOR
IMPROVEMENTS BY DWELLING TYPE
ALBERTA, 1984



Source: Statistics Canada

Owner-occupants account for the vast majority of R&R work in Alberta - tenants and landlords account for a relatively small share of total R&R activity.

Statistics are not available on the tenure breakdown of all R&R work, however, it is possible to make judgements based on the information that does exist.

The official data on repair expenditures is disaggregated by tenure. According to these estimates, owner-occupied dwellings accounted for 73 percent of all residential repair work in Alberta over the 1982-1985 period. Landlords are estimated to have accounted for 26 percent of all repair work while the remaining one percent was by tenants themselves. These estimates for Alberta are similar to the national figures.

For renovations, there is no official disaggregation of work by tenure. However, building permit data on improvements is available by dwelling type and this does provide an indication of the likely breakdown of work by tenure. In Alberta, 92 percent of the dollar volume of building permits for improvements were for work on single-detached dwellings - well above the national figure of 76 percent. The vast majority of this work would be on owner-occupied dwellings since 85 percent of all occupied single-detached dwellings in Alberta in 1981 were owner-occupied, and since the incidence of such work by owners would be greater than for rented dwellings.

Relatively rough estimates of the tenure breakdown of total R&R activity in Alberta prepared for this assignment indicate that approximately 80 percent of all R&R expenditures in the province are made by homeowners. These homeowner R&R expenditures are examined in detail in this report.

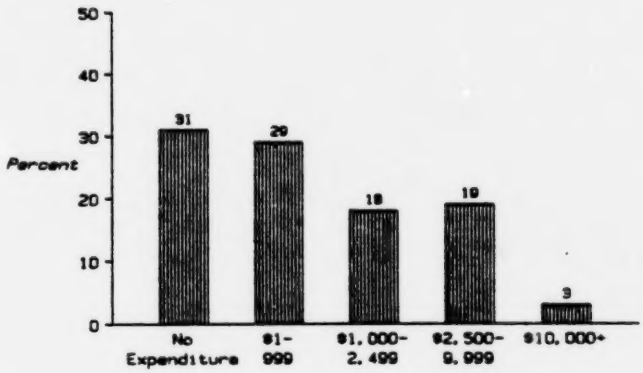
WHAT TYPES OF HOMEOWNERS UNDERTAKE REPAIR AND RENOVATION WORK?

This section examines the characteristics of homeowners who undertake R&R work. As presented here, the analysis of homeowner characteristics is based primarily on the HOMES (Alberta) Survey; in some cases, the FAMEX Survey results and the HOMES National Survey results are used to provide confirmation of the findings.

Before examining the characteristics of those who do R&R work, the overall proportion of homeowners undertaking such work and the amounts spent are briefly examined.

Most Homeowners Spend Relatively Little on R&R Work

ANNUAL R&R EXPENDITURES BY HOMEOWNERS
CALGARY AND EDMONTON, 1985*



* Distribution of total homeowner respondents by amount of R&R expenditures.

Source: Environics HOMES (Alberta) Survey.

Sixty percent of Calgary and Edmonton homeowners responding to the HOMES (Alberta) Survey indicated that their R&R expenditures in the previous twelve months totalled less than $1,000 - 31 percent indicated that they had spent nothing on R&R in that period.

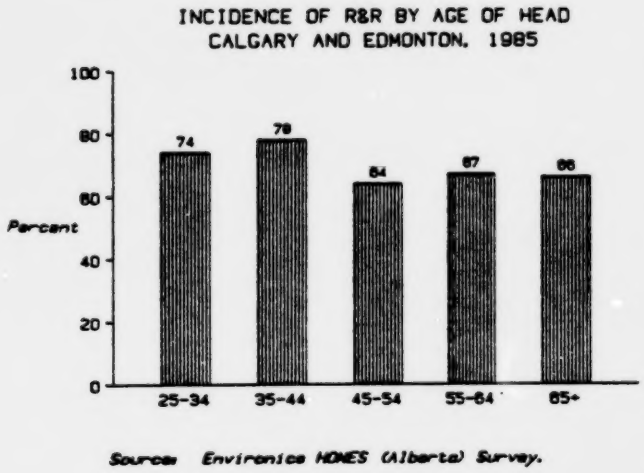
Only 3 percent of Calgary and Edmonton homeowners indicated that they had spent $10,000 or more on R&R in the previous twelve months.

The average expenditure of the 69 percent of homeowners who undertook R&R work was $2,850. For the 40 percent of homeowners who spent $1,000 or more on R&R, the average expenditure was $4,600.

This breakdown of estimated expenditures by homeowners on R&R in the two major Alberta centres is broadly similar to the results of the FAMEX Survey for Alberta in 1982. Both surveys indicated a lower incidence of R&R work in Alberta than nationally. The national average expenditure of those undertaking R&R work was about the same as in Alberta.

The analysis of the characteristics of homeowners undertaking R&R work which is contained on the following pages presents information separately for both the 69 percent who have undertaken R&R work and the 40 percent who have incurred expenditures in excess of $1,000.

Explanation of the Format Used in Presentation of the Characteristics of Homeowners Undertaking R&R



The discussion on the following pages relating to the types of homeowners who undertake R&R work follows a standard format which is briefly reviewed here. On each page, there is a graph and a table presenting data relating to the characteristic under study. There is also an accompanying text presenting highlights of the analysis.

The graph highlights some of the information presented in the table. In the sample here, the incidence of R&R work among homeowners of different ages is shown.

The table provides a standard set of data for each household characteristic. It presents the following information separately for homeowners undertaking (1) any R&R work in the last twelve months, and (2) R&R work in the last twelve months costing a total of $1,000 or more:

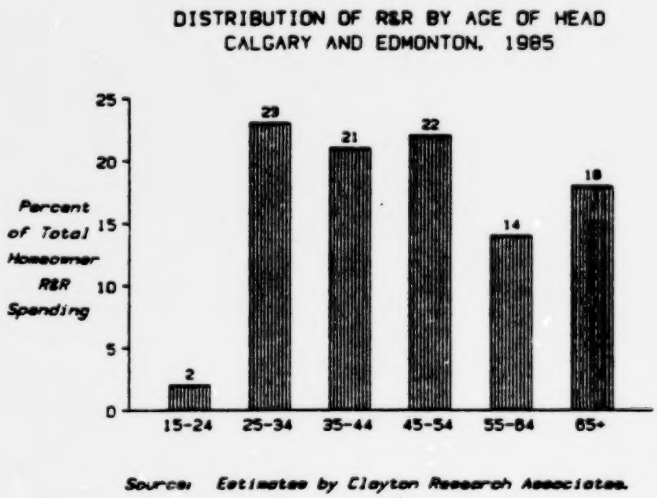
- Percent of homeowners in each group reporting R&R work in the previous twelve months - this is frequently described as the "incidence of R&R work" and is based on the HOMES (Alberta) results;
- Average R&R expenditures of the homeowners who undertook R&R work - this is also based on the HOMES (Alberta) results; and
- Estimated distribution of total homeowner R&R expenditures among members of each group - this is calculated based on the distribution of all homeowners (according to the 1981 Census for variables where that information is available and other sources where Census data are not available), the incidence of R&R spending in each group (presented in the table) and the average amount spent. This information should provide a rough guide to the types of homeowners who generate the majority of R&R work in Calgary and Edmonton.

The information presented in the table is too comprehensive to be described in detail for each variable; the text therefore concentrates instead on highlighting the main points in the analysis.

DESCRIPTION OF STANDARD TABLES OF
REPAIR AND RENOVATION IN LAST 12 MONTHS BY HOUSEHOLD CHARACTERISTIC
CALGARY AND EDMONTON, 1985

Household Characteristic	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	

Homeowners of All Ages Undertake R&R Work



Source: Estimates by Clayton Research Associates.

Homeowners in the 25-34, 35-44 and 45-54 age groups each appear to account for just over one-fifth of total R&R work in Calgary and Edmonton. Older homeowners account for slightly less than one-fifth.

These proportions are similar to the actual age distributions of homeowners because there does not appear to be a large difference in the incidence of R&R work among Calgary and Edmonton homeowners of different ages.

Approximately three-quarters of homeowners in the 25-44 age group undertook R&R work in the twelve months prior to the survey compared to about two-thirds in the older age groups. This slightly higher incidence of R&R among homeowners in the age groups where families are being formed is confirmed by similar results from both FAMEX and the HOMES National Survey.

A similar slightly higher incidence of R&R work among homeowners aged 25-44 is evident for work valued at $1,000 or more in the previous twelve months. The relatively high figure for homeowners aged 65+ spending $1,000 or more is based on a small sample and is higher than other surveys indicate.

While the younger age groups appear to have a slightly higher incidence of R&R spending, the average amounts spent on R&R by homeowners in these age groups appear to be less than for their older counterparts. For homeowners aged 45-64 who undertook R&R spending, the average expenditure was $2,950-$3,550 compared to an average of $2,400-$2,500 for homeowners aged 25-44.

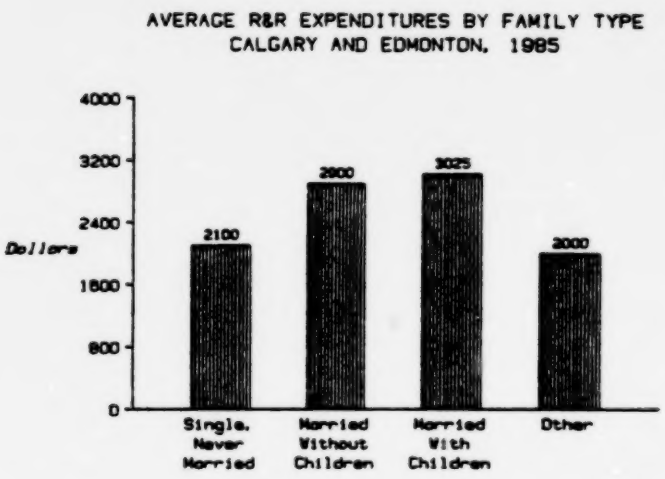
REPAIR AND RENOVATION IN LAST 12 MONTHS BY AGE OF HEAD
CALGARY AND EDMONTON, 1985

Age of Head	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
15-24	NA	NA	NA	NA	2	2
25-34	74	40	2,500	4,075	23	24
35-44	78	40	2,400	3,975	21	21
45-54	64	33	3,550	5,750	22	22
55-64	67	33*	2,950	4,925*	14	13
65 +	66*	46*	5,200*	6,125*	18	18
Total	69	40	2,850	4,600	100	100

* Less than 30 observations.

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Families Spend More on R&R



Source: Environics HOMES (Alberta) Survey.

The average amounts spent on R&R by married homeowners undertaking R&R work were approximately $1,000 higher than for other groups. Expenditures by married homeowners, both with and without children, averaged about $3,000 in the 12 months prior to the survey.

For those homeowners spending $1,000 or more on R&R, married couples with children spent significantly more, averaging over $5,000 compared to $3,550-$4,125 for the other family types.

The incidence of R&R work among Calgary and Edmonton homeowners does not appear to differ significantly by family type. Approximately 70 percent of married couples both with and without children undertook some R&R work in the twelve months prior to the survey. The incidence of R&R work for never-married persons was somewhat higher and for all other types somewhat lower than this; however, the proportions for these groups are based on smaller samples and are not confirmed by data from the HOMES National Survey.

A smaller incidence of R&R work valued at $1,000 or more was reported among married homeowners with children than for married homeowners without children and never-married homeowners; data from the HOMES National Survey show similar proportions among these three groups.

Married couples with children are estimated to account for the majority of homeowner R&R work in Calgary and Edmonton (about 60 percent of all homeowner R&R work). Married couples without children are estimated to account for about one-quarter of homeowner R&R expenditures.

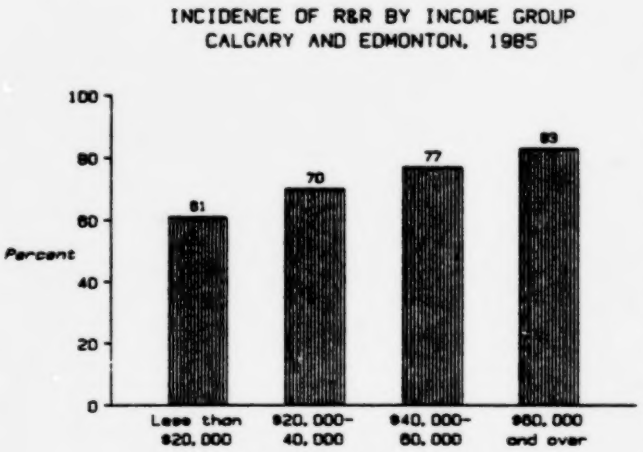
REPAIR AND RENOVATION IN LAST 12 MONTHS BY FAMILY TYPE
CALGARY AND EDMONTON, 1985

Family Type	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
Single, Never Married	77*	39*	2,100*	3,550*	5	5
Married, No children	68	42	2,900	4,050	25	26
Married, with children	71	36	3,025	5,075	57	60
Other	64	25*	2,000	4,125*	13	9
Total	69	40	2,850	4,600	100	100

* Less than 30 observations.

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Higher Incidence of R&R Work Among Upper Income Groups



Source: Environics HOMES (Alberta) Survey.

A majority of homeowners in all income groups had R&R expenditures in the twelve months prior to the survey; however, the incidence of R&R work in Calgary and Edmonton appears to increase significantly as income increases.

The incidence of R&R work ranged from 61 percent among homeowners with annual incomes of less than $20,000 to 83 percent for homeowners with incomes of $60,000 or more. The incidence of R&R expenditures of $1,000 or more was substantially higher for those in the $60,000 or more income group than for other homeowners.

Average expenditure on R&R work also appears to be a great deal higher in the upper income groups. The average R&R expenditure for homeowners in the $60,000 or over income group was $3,475; homeowners in lower income groups had progressively smaller average R&R expenditures. For homeowners with R&R expenditures of $1,000 or more, average expenditure appears to have been lower in the $60,000 or more income group than for homeowners in the $40,000-$60,000 group; this may be an aberration since it differs from the HOMES National Survey results where average expenditure was shown to be highest in the $60,000 or more income group.

It is estimated that homeowners with annual incomes of $60,000 or more accounted for just over 40 percent of homeowner R&R work in the twelve months prior to the survey; this compares with less than ten percent for homeowners with incomes under $20,000 per year.

There appears to be no significant difference in the incidence of R&R work in households of one income earner and those with more than one earner. Average R&R expenditures, however, were slightly higher in households with more than one earner.

REPAIR AND RENOVATION IN LAST 12 MONTHS BY INCOME
CALGARY AND EDMONTON, 1985

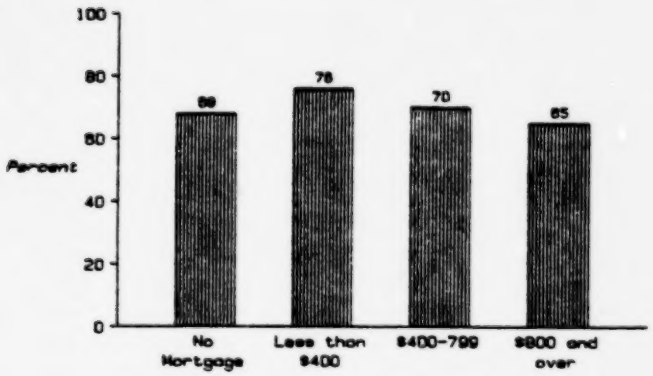
Income	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
Less than $20,000	61	30*	2,175	3,550*	7	6
$20,000-$40,000	70	36	2,400	4,125	19	19
$40,000-$60,000	77	37	3,075	5,625	33	33
$60,000+	83	61	3,475	4,175	41	42
Total	69	40	2,850	4,600	100	100

* Less than 30 observations.

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Incidence of R&R Work Similar for Homeowners With/Without Mortgages

INCIDENCE OF R&R BY MONTHLY MORTGAGE PAYMENTS
CALGARY AND EDMONTON, 1985



Source: Environics HOMES (Alberta) Survey.

On the whole, homeowners with mortgages and those with no mortgage payments had similar incidences of R&R work in Calgary and Edmonton in the twelve months prior to the survey.

For those with mortgage payments, the payment amount seems to have effect on the incidence of R&R work: the higher the mortgage payment the less the incidence of R&R. This result was confirmed by similar results from the HOMES National Survey.

The average amount spent on R&R work was higher among homeowners with no mortgage payments than the overall average for those with mortgage payments. This result differs from that shown by the HOMES National Survey (where average expenditures by homeowners with mortgages were found to be only slightly higher than by those without mortgages) but is confirmed by similar results from the FAMEX Survey.

In contrast to the data on incidence of R&R, average R&R expenditures appear to rise as mortgage payments rise. Average amounts spent on R&R work varied from $1,750 for those with monthly mortgage payments under $400 to $3,350 for those with payments of $800 or more; this compares to an average of $3,200 for homeowners with no mortgage payments. Increased average R&R expenditures for homeowners with larger mortgage payments was also evident in the HOMES National Survey results.

Homeowners with no mortgage payments accounted for about one-third of both total R&R work and R&R work valued at $1,000 or more.

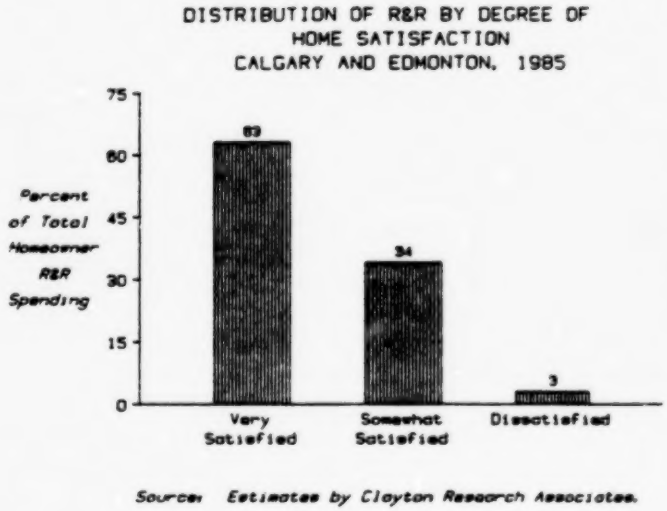
REPAIR AND RENOVATION IN LAST 12 MONTHS BY MONTHLY MORTGAGE PAYMENTS
CALGARY AND EDMONTON, 1985

Monthly Mortgage Payments	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
No Mortgage	68	38	3,200	4,750	35	34
Mortgage Payments						
Under $400	76	35*	1,750	3,250*	9	9
$400-$799	70	35	2,750	4,825	40	41
$800+	65	40*	3,350	4,800*	16	16
Sub-Total	70	36	2,675	4,550	65	66
Total	69	40	2,850	4,600	100	100

* Less than 30 observations.

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Most Homeowners Satisfied with Their Homes



Source: Estimates by Clayton Research Associates.

The vast majority of Calgary and Edmonton homeowners were either very satisfied with their homes or somewhat satisfied. This is reflected in the fact that homeowners who are dissatisfied with their homes account for only an estimated three percent of total R&R spending. Very satisfied homeowners and somewhat satisfied homeowners accounted for 63 percent and 34 percent of estimated total homeowner R&R spending respectively.

Incidence and average R&R expenditure results with respect to the homeowners' degree of satisfaction with his/her current dwelling do not appear to be significantly different due to the relatively small numbers of homeowners indicating dissatisfaction with their dwelling.

No clear differences in incidence of R&R or average R&R spending among homeowners with different levels of satisfaction in their home were evident from the HOMES National Survey results either.

REPAIR AND RENOVATION IN LAST 12 MONTHS BY DEGREE OF HOME SATISFACTION
CALGARY AND EDMONTON, 1985

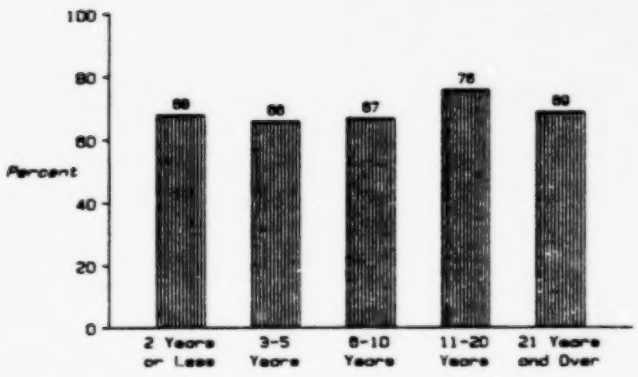
Home Satisfaction	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
Very Satisfied	68	34	2,750	4,500	63	62
Somewhat Satisfied	71	39	3,050	4,925	34	35
Dissatisfied	76*	NA	2,250*	NA	3	3
Total	69	40	2,850	4,600	100	100

* Less than 30 observations.

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Little Difference in Incidence of R&R Work By Varying Length of Residence

INCIDENCE OF R&R BY LENGTH OF RESIDENCE
CALGARY AND EDMONTON, 1985



Source: Environics HOMES (Alberta) Survey.

There do not appear to be any significant differences in the incidence of R&R work among Calgary and Edmonton homeowners with respect to the length of time they have lived in their current residence.

In general, about two-thirds of homeowner repondents in each group undertook R&R work in the twelve months prior to the survey; a slightly higher incidence was found among homeowners who had lived at their residence for 11-20 years. The HOMES National Survey indicated similar incidences of R&R work among all groups by length of residence.

The greater variance apparent in the HOMES (Alberta) Survey results with respect to the incidence of R&R work valued at $1,000 or more by length of residence is also at odds with the HOMES National Survey results where there were similar incidences of R&R spending $1,000 or more for each group. Other research suggests there may be a higher incidence of R&R spending among homeowners who have recently moved into a dwelling.

Average expenditures for total R&R work were highest among homeowners who had lived in their dwelling between six and twenty years, followed by those whose length of residence was two years or less. For work valued at $1,000 or more, the highest average expenditures were among homeowners who had lived in their dwelling for three to ten years.

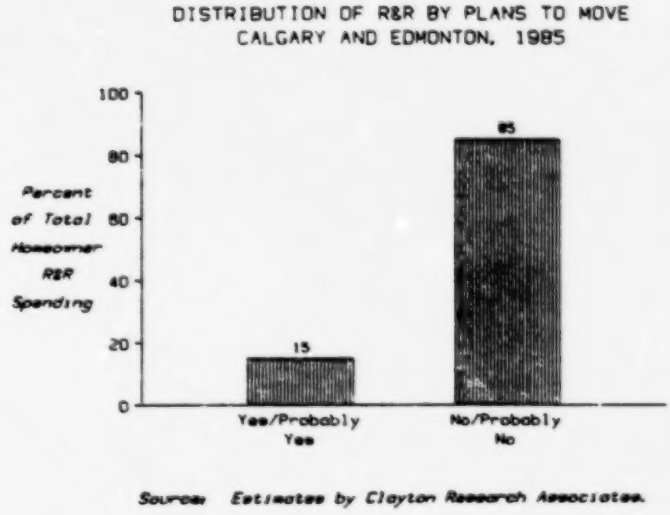
REPAIR AND RENOVATION IN LAST 12 MONTHS BY LENGTH OF RESIDENCE
CALGARY AND EDMONTON, 1985

Years of Residence	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
2 and less	68	39	2,700	4,050	15	15
3-5	66	29	2,525	4,925	22	23
6-10	67	37	3,025	4,850	25	26
11-20	76	43	3,200	4,675	26	25
21+	69	36*	2,525	3,925*	12	11
Total	69	40	2,850	4,600	100	100

* Less than 30 observations.

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Most Homeowner R&R Work Undertaken by Non-Movers



Source: Estimates by Clayton Research Associates.

The vast majority of total homeowner R&R work in Calgary and Edmonton in the twelve months prior to the survey was undertaken by homeowners who either had no plans to move or probably will not move within the next two years. Therefore, they were undertaking the work for their own purposes rather than as a means of upgrading the property for sale.

Since only 15 percent of estimated total homeowner R&R in Calgary and Edmonton was undertaken by owners who have some likelihood of moving within the next two years, it appears that relatively little homeowner R&R spending is undertaken solely for the purpose of enhancing the saleability prospects of properties.

There is no difference in the incidence of R&R spending among Calgary and Edmonton homeowners with or without plans to move in the next two years - this differs from the HOMES National Survey results which showed a higher incidence of R&R spending among homeowners with plans to move. There appears to be a slightly higher incidence of R&R spending in excess of $1,000 among homeowners with plans to move - this is similar to the HOMES National Survey results.

Average R&R expenditures among homeowners who have no plans to move are higher than for those who have plans to move - $2,875 compared to $2,300 for homeowners with any R&R spending and $4,800 compared to $3,825 for homeowners spending $1,000 or more.

REPAIR AND RENOVATION IN LAST 12 MONTHS BY PLANS TO MOVE WITHIN TWO YEARS
CALGARY AND EDMONTON, 1985

Plan to Move?	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
Yes/Probably Yes	69	42	2,300	3,825	15	18
No/Probably No	69	35	2,875	4,800	85	82
Total	69	40	2,850	4,600	100	100

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

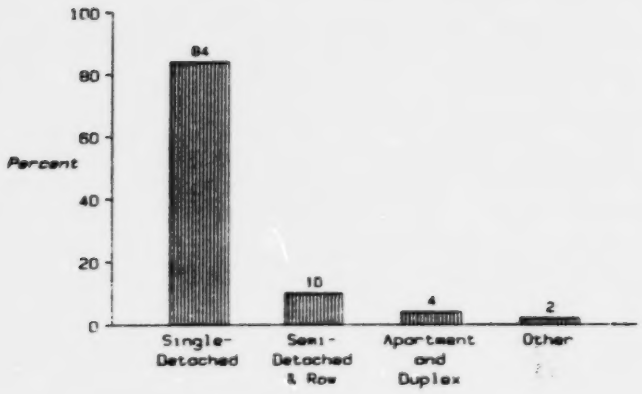
WHAT TYPES OF DWELLINGS ARE REPAIRED AND RENOVATED?

This section examines the characteristics of the dwellings on which R&R work is undertaken. As with the previous section, the analysis of dwelling characteristics is based primarily on the HOMES (Alberta) Survey; in some cases, the FAMEX Survey results and the HOMES National Survey results are used to provide confirmation of the findings.

The format for the presentation of most of the information in this section is the same as in the previous section dealing with household types; with the exception of this page, a graph and table of figures in a format the same as in the previous section is presented for each of the sets of characteristics to be examined.

Almost All Homeowners Live in Single-Detached Dwellings

OCCUPIED OWNERSHIP DWELLINGS BY TYPE
CALGARY AND EDMONTON, 1981*



* Percent of total homeowners.

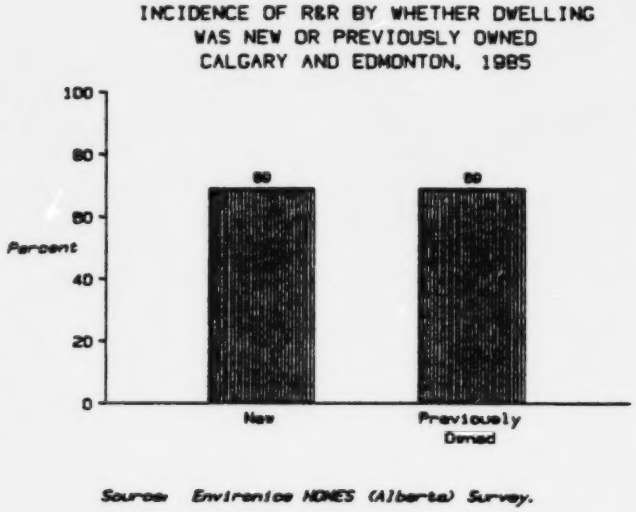
Source: 1981 Census of Canada.

The homeownership market in Calgary and Edmonton is dominated by the single-detached house. Almost 85 percent of the occupied ownership stock in the two centres in 1981 was comprised of single-detached houses.

This was mirrored in the HOMES (Alberta) Survey where a similar proportion of the homeowner respondents lived in single-detached houses. Unfortunately, the low number of responses from other types of dwellings precluded any serious analysis of differences in the incidence or average value of R&R work between different types of dwellings.

The results of the FAMEX Survey for Alberta had little of significance for non-single-detached dwellings as well. The HOMES National Survey data also reflected the predominance of the single-detached dwelling which accounted for 84 percent of all homeowner respondents. Again, the results had little of significance for non-single-detached dwellings.

No Difference in Incidence of R&R for Dwellings Purchased New or from Previous Owners



Source: Environics HOMES (Alberta) Survey.

The incidence of R&R work in the twelve months prior to the survey was the same for homeowner respondents who lived in dwellings they purchased new as for those occupying homes which had been previously owned.

However, for R&R work valued at more than $1,000, homeowners living in previously owned dwellings had a somewhat higher incidence of R&R - 42 percent compared to 36 percent for homeowners living in new dwellings. This corresponds to similar findings from the HOMES National Survey.

Average expenditures for any R&R work on previously owned dwellings were almost $1,000 higher than expenditures on dwellings purchased new. Average expenditure on R&R work valued at $1,000 or more was also greater for previously owned dwellings than for dwellings purchased new ($5,050 compared to $3,900).

It is estimated that about two-thirds of any R&R work undertaken in Calgary and Edmonton in the twelve months prior to the survey was accounted for by homeowners living in previously owned dwellings.

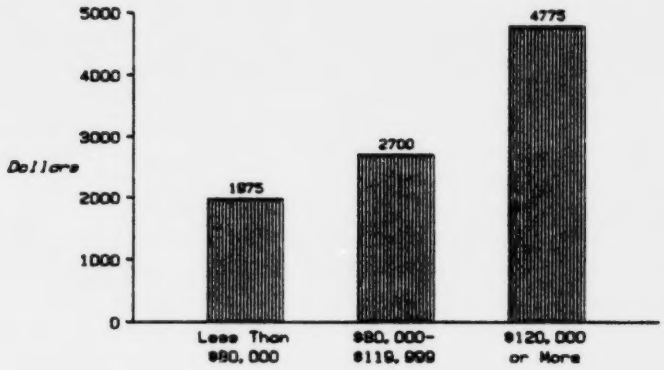
REPAIR AND RENOVATION IN LAST 12 MONTHS BY NEW OR PREVIOUSLY OWNED DWELLING
CALGARY AND EDMONTON, 1985

	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
New	69	36	2,325	3,900	37	37
Previously Owned	69	42	3,200	5,050	63	63
Total	69	40	2,850	4,600	100	100

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Average R&R Expenditures Greater on Higher-Valued Dwellings

AVERAGE R&R EXPENDITURES BY DWELLING VALUE
CALGARY AND EDMONTON, 1985



Source: Environics HOMES (Alberta) Survey.

As might be expected, homeowners with more expensive homes undertake more expensive R&R work.

Although the incidence of R&R work did not vary greatly by dwelling value (an observation confirmed by HOMES National Survey findings), the average R&R expenditures were significantly higher for dwellings valued at $120,000 or more than for lower-valued dwellings. Average R&R expenditure for dwellings valued at $80,000 or less was $1,975 compared to $4,775 for dwellings valued at $120,000 or more.

For work valued at $1,000 or more, average expenditures ranged from $3,275 for dwellings valued at less than $80,000 to $6,650 for dwellings valued at $120,000 or more.

There was no significant difference by dwelling value in the incidence of R&R work in Calgary and Edmonton undertaken in the twelve months prior to the survey. However, for R&R work valued at $1,000 or more, a higher incidence of R&R work occurred in dwellings valued at $120,000 or more. The incidences ranged from 38 percent of homeowner respondents occupying dwellings valued at less than $80,000 to 45 percent of homeowners with dwellings valued at $120,000 or more.

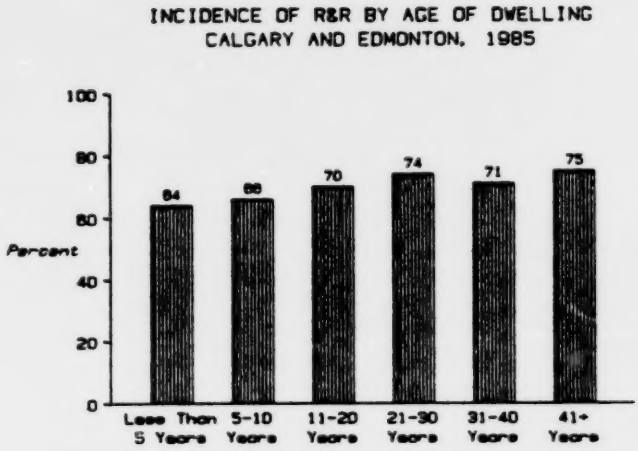
Slightly less than one-quarter of total homeowner R&R work occurs in dwellings with values of less than $80,000. The remainder was split relatively evenly among dwellings valued at $80,000-$120,000 and those worth $120,000 and over. However, it must be recognized that the 37 percent share accounted for by dwellings valued at $120,000 and over is much larger than their estimated 21 percent share of the dwelling stock in Calgary and Edmonton.

REPAIR AND RENOVATION IN LAST 12 MONTHS BY DWELLING VALUE
CALGARY AND EDMONTON, 1985

Dwelling Value	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
Less than $80,000	68	38	1,975	3,275	24	25
$80,000-$120,000	71	39	2,700	4,400	39	39
$120,000 and over	70	45	4,775	6,650	37	36
Total	69	40	2,850	4,600	100	100

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Greater Incidence of R&R Work for Older Dwellings



Source: Environics HOMES (Alberta) Survey.

As dwellings increase in age, the incidence of homeowner R&R work appears to increase somewhat as well.

For dwellings aged 10 years or less, the incidence of R&R work undertaken by homeowner respondents in Calgary and Edmonton in the twelve months prior to the survey was 64-66 percent, compared to 70-75 percent for dwellings of more than 10 years of age. A similar finding is evident for homeowner R&R work valued at $1,000 or more.

Average expenditures on homeowner R&R work also appear generally to increase with dwelling age. For dwellings aged 31 years or more, the average R&R expenditure amounted to $3,225-$3,925, compared to $1,775 for dwellings aged less than five years. Somewhat surprisingly, for R&R work valued at $1,000 or more, the highest average expenditure was recorded for dwellings aged six to ten years. This finding appears suspect as it conflicts with both the FAMEX Survey data and the HOMES National Survey data.

The estimated distribution of R&R spending reveals that nearly three-quarters of total R&R spending was undertaken on dwellings aged 5-30 years. Dwellings 31 years of age or older accounted for another one-quarter of R&R work. Only a small proportion of total R&R work was accounted for by dwellings less than five years old.

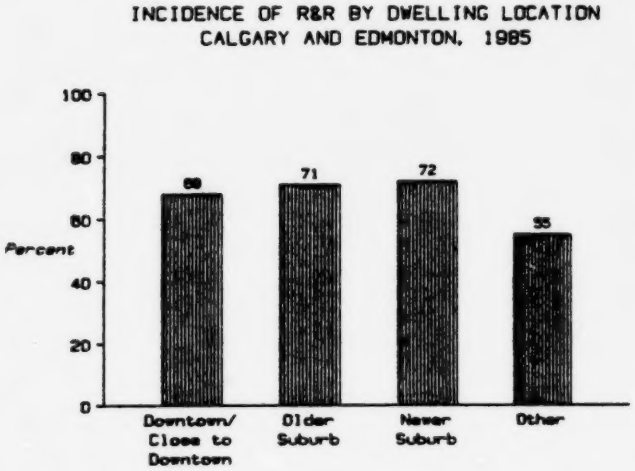
REPAIR AND RENOVATION IN LAST 12 MONTHS BY AGE OF DWELLING
CALGARY AND EDMONTON, 1985

Age of Dwelling	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
Less than 5	64	33*	1,775	2,900*	4	4
5-10	66	27	3,000	5,900	28	26
11-20	70	38	3,100	4,975	26	27
21-30	74	39	2,475	3,850	16	16
31-40	71*	47*	3,225*	4,175*	17	17
41+	75*	50*	3,925*	5,325*	9	10
Total	69	40	2,850	4,600	100	100

* Less than 30 observations.

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Dwelling Location Not Very Significant to Incidence of R&R Work



Source: Environics HOMES (Alberta) Survey.

Dwelling location does not appear to be a significant factor in the incidence of R&R work undertaken by homeowners in Calgary and Edmonton.

The incidence of R&R work amounting to $1,000 or more also shows no great variation by location, although there appears to be a marginally higher incidence of major work on dwellings located in or close to the downtown area.

These findings for both total R&R work and R&R work valued at $1,000 or more are similar to findings from the HOMES National Survey.

Average expenditures for R&R work involving dwellings downtown or close to the downtown area were somewhat above the average for all dwellings. The highest average expenditure on R&R work was found to be for "other" (basically rural) dwellings; this finding however is based on a small sample size and is not confirmed by data from the HOMES National Survey.

For R&R work valued at $1,000 or more, average R&R expenditures were highest for dwellings located in newer suburbs ($4,925) followed by dwellings downtown or close to the downtown area. This differs from the HOMES National Survey, where the highest average expenditures for R&R work valued at $1,000 or more were for dwellings located in or close to the downtown area.

Dwellings located in new suburbs accounted for an estimated 42 percent of the value of total homeowner R&R work in Calgary and Edmonton. The remainder was more or less evenly distributed between dwellings located in or close to the downtown area and dwellings in older suburbs.

REPAIR AND RENOVATION IN LAST 12 MONTHS BY LOCATION
CALGARY AND EDMONTON, 1985

Location	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
Downtown/Close to Downtown	68	41	3,275	4,525	26	26
Older Suburb	71	35	2,375	3,950	28	26
New Suburb	72	37	2,875	4,925	42	44
Other	55*	NA	3,550*	NA	4	4
Total	69	40	2,850	4,600	100	100

* Less than 30 observations.

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

General Conclusions Regarding Types of Dwellings and Homeowners Who Undertake R&R and the Reasons Behind the Work

The question of motivation for homeowner R&R was not specifically addressed in either the HOMES (Alberta) Survey or the FAMEX Survey. Other literature on the subject also does not provide a coherent analysis of the reasons behind a homeowner's decision to undertake R&R work - it is a decision based on a combination of a lot of factors, many of which cannot be adequately quantified. Nonetheless, from the information presented in this and the previous section, as well as a review of literature available about R&R in Canada and other countries, a few general conclusions can be drawn about the types of dwellings and homeowners that have a greater tendency to undertake R&R and to impute the reasons behind the decision to undertake the work.

- Older dwellings tend to have a higher incidence and average amount spent on R&R than newer ones, though the majority of dwellings of all ages have R&R work done on them each year. The reasons behind the larger amount of R&R on older dwellings are likely largely related to upgrading work needed to bring the dwelling up to more modern standards or to replace equipment in the dwelling.

- There is a positive correlation between R&R work and both value of the dwelling and income of the owner. Clearly, in these cases, R&R is related to the ability of the owners to afford to undertake work which makes the dwelling more suitable to their needs and lifestyles. Several research papers have pointed out that a homeowners' perception of the condition of his dwelling is a more critical factor in undertaking renovations than is the actual physical condition of the dwelling - affluent owners have a greater ability to translate their desires into positive action than do owners with lower disposable incomes.

- The evidence that middle-aged homeowners and families with children tend to have a high incidence of R&R is consistent with the fact that dwellings occupied by growing families sometimes need to be expanded or otherwise altered to accommodate the growth in family size. In many cases, the alternatives for such families are either to undertake significant R&R work or to move to larger or more suitable accommodation.

- Length of residence did not appear to be a key factor in undertaking R&R work in the HOMES (Alberta) Survey; however, other research suggests that recent homebuyers (within one or two years of purchase) have a higher incidence of R&R work as they undertake changes to make the dwelling more suitable to their needs.

- There appears to be little evidence that many homeowners undertake R&R work to improve the value of their dwelling for resale. In most cases this would likely be a consideration in the minds of those undertaking R&R work but it does not appear to be a major consideration - making the dwelling more suitable to the needs and lifestyles of the owners appears to be most important.

- Apart from the question of whether the owner lived in or near the downtown or in a suburb, the HOMES (Alberta) Survey did not address the issue of the likely effects of different community or neighbourhood factors on the decision to undertake R&R. Other studies have concluded that prime locations in terms of access to services or neighbourhoods with physically attractive buildings or community features such as parks are conducive to stimulating R&R by homeowners - these factors may also reflect in high dwelling values which have been shown to have a positive correlation with R&R work.

- A final point which was not addressed in the surveys but which is evident in the literature is that municipal regulations can have a considerable impact on the amount of R&R work. Restrictive zoning bylaws, building permit regulations or other time-consuming and costly hurdles can act as a significant barrier to a homeowner contemplating undertaking R&R work.

The following research papers were reviewed as part of the analysis of the determinants of homeowner motivation to repair or renovate their home.

Ekos Research Associates Inc., The Determinants of Homeowner Renovation, prepared for Canada Mortgage and Housing Corporation, 1982.

F.L. Graves, Major Report of the Study to Measure Physical Housing Condition and Estimating Rehabilitation Need and Potential, prepared for Canada Mortgage and Housing Corporation, 1981.

National Association of Home Builders of the United States, Consumers Survey of Additions and Alterations in Existing Houses, 1982.

National Association of Home Builders of the United States, Profile of the Remodeler and His Industry, 1982.

J.R. Britten, What is a Satisfactory House? A Report of Some Households' Views, prepared for Building Research Establishment, England, 1977.

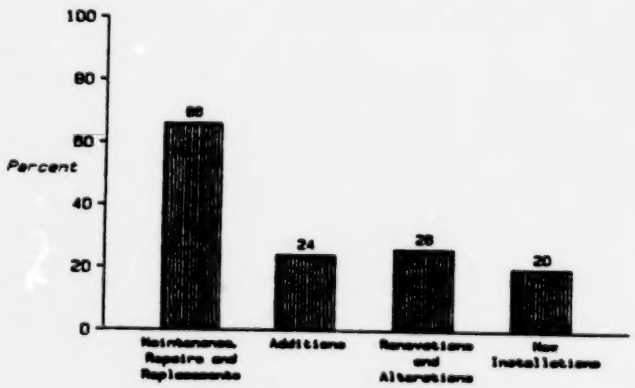
P.S. Morrison, Expenditures on Housing Maintenance Repairs: Some Recent Evidence. An Analysis of Expenditures made by Homeowners in Toronto in 1973, Centre for Urban and Community Studies, University of Toronto, 1978.

WHAT TYPES OF REPAIR AND RENOVATION WORK ARE DONE AND WHO DOES THE WORK?

This section examines the types of R&R work undertaken by homeowners in Alberta and the average expenditure on each type of work. The proportions of each type of R&R work which are completed by contractors as opposed to do-it-yourselfers is also examined as well as the types of homeowners who tend to hire contractors.

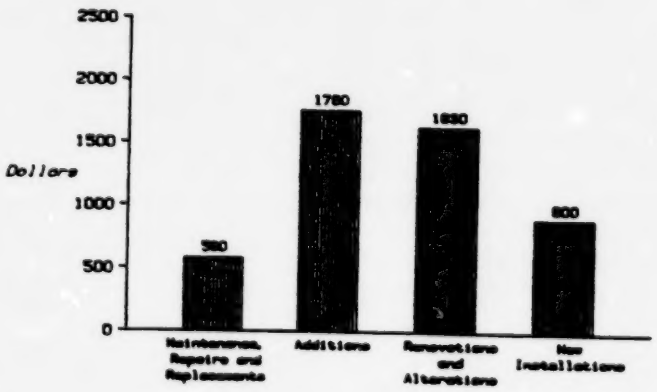
Repairs are the Most Frequent Type of R&R Work

INCIDENCE OF R&R BY TYPE OF WORK
ALBERTA, 1982



Source: Statistics Canada 1982 FAMEX Survey.

AVERAGE R&R EXPENDITURE BY TYPE OF WORK
ALBERTA, 1982



Source: Statistics Canada 1982 FAMEX Survey.

Repair work is a more prevalent activity among homeowners than renovations.

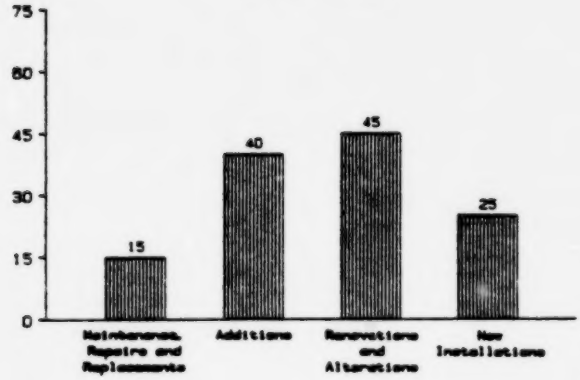
According to the FAMEX Survey, two-thirds of homeowners in Alberta in 1982 undertook maintenance, repair or replacement work. Between one-fifth and one-quarter of homeowners undertook each of the other types of work that, together, are referred to in this report as renovations. Data aggregating the three FAMEX renovation categories are not available for Alberta; however, based on the national FAMEX data, it would appear that less than half of Alberta homeowners would have undertaken renovation work in 1982.

While more homeowners undertook repair work, the average amount spent on repair was much lower than for renovation work. The homeowners who did maintenance, repair and replacement work in Alberta in 1982 spent an average of $580 while the average amounts spent on other types of work were much higher.

The data presented here are from the FAMEX Survey and they relate to Alberta as a whole.

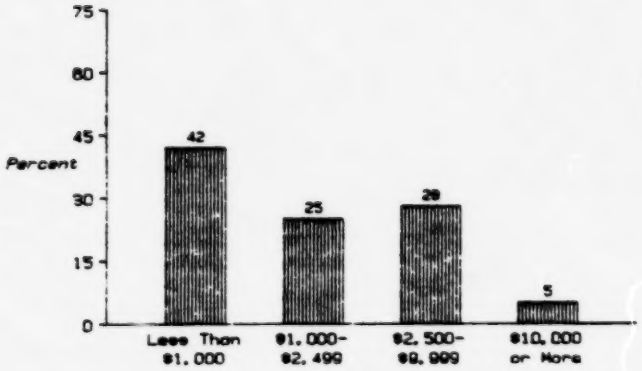
Most R&R Jobs are Small

PERCENT OF HOMEOWNERS UNDERTAKING R&R WHO SPENT $1,000 OR MORE
ALBERTA, 1982



Source: Statistics Canada 1982 FAMEX Survey.

DISTRIBUTION OF R&R WORK BY AMOUNT SPENT
CALGARY AND EDMONTON, 1985



Source: Environics HOMES (Alberta) Survey.

The majority of R&R jobs of all types involve the expenditure of less than $1,000.

Small expenditures are particularly prevalent in jobs involving maintenance, repairs and replacements. Only 15 percent of Alberta homeowners who undertook this type of work in 1982 spent more than $1,000.

For renovation work, the proportion of larger jobs is much greater - from 25 percent to 45 percent, depending on the type of work (see page 3 for the types of work involved in each of the FAMEX categories).

Data from the HOMES (Alberta) Survey do not separate repair work from renovation work as does the FAMEX data. However, the HOMES data do allow the estimation of the amount which homeowners spent on all types of R&R in the last twelve months.

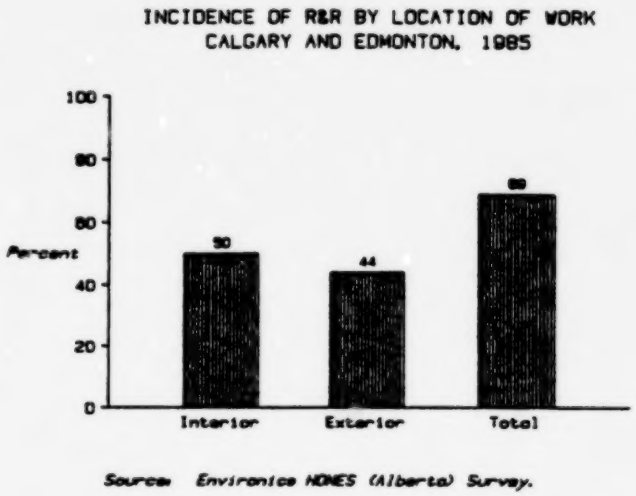
Almost 60 percent of the homeowners who undertook some R&R work in the past twelve months incurred expenditures of $1,000 or more according to the HOMES (Alberta) data. Still, the proportion of homeowners undertaking R&R who spent $10,000 or more was only five percent.

HOMEOWNER REPAIR AND RENOVATION WORK BY VALUE
ALBERTA, 1982

Type of Work	$1-$999	$1,000-$9,999	$10,000+	Total
	Percent			
Maintenance, Repairs and Replacements	85	14	1	100
Additions	60	37	3	100
Renovations and Alterations	55	43	2	100
New Installations	75	25	0	100

Source: Statistics Canada, 1982 FAMEX Survey.

Slightly Higher Incidence of Interior Work Than Exterior Work



Source: Environics HOMES (Alberta) Survey.

More Calgary and Edmonton homeowners reported work on the interior of their dwellings than on the exterior but the margin of the difference was not large - 50 percent of homeowners undertook R&R work to the interior of their homes in the past 12 months, while 44 percent did work on the exterior of their homes.

The higher incidence of work on the interior indicated by the HOMES (Alberta) Survey is similar to the pattern nationally - though the overall incidence of R&R work is lower in Alberta than is the case for Canada as a whole.

Average expenditures of homeowners undertaking repair and renovation work was $1,950 for both interior renovations and exterior renovations. Average expenditures on R&R work valued at $1,000 or more were also similar: $3,725 for interior work and $3,675 for exterior work. The fact that the incidence of total R&R and average total R&R expenditures are higher than for either interior or exterior R&R work alone is due to the fact that many homeowners undertake both types of work.

The estimated distribution of both total R&R work and R&R work valued at $1,000 or more reveals a slightly higher proportion of interior R&R work versus exterior R&R work.

HOMEOWNER REPAIR AND RENOVATION WORK BY LOCATION OF WORK
CALGARY AND EDMONTON, 1985

Location of Work	Homeowners Reporting		Average Expenditure		Estimated Distribution of R&R	
	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+	Any R&R	R&R of $1,000+
	Percent		Dollars		Percent	
Interior	50	29	1,950	3,725	54	54
Exterior	44	25	1,950	3,675	46	46
Total	69	40	2,850	4,600	100	100

Source: Environics HOMES (Alberta) Survey and estimates by Clayton Research Associates.

Painting, Landscaping and Fencing Most Common Exterior Types of R&R Work

The types of exterior R&R work which are most commonly undertaken by Calgary and Edmonton homeowners are outlined in the table provided. Because of the unreliability of small sample sizes, types of work reported by less than two percent of homeowners are not presented.

MOST COMMON TYPES OF EXTERIOR REPAIR AND RENOVATION WORK
CALGARY AND EDMONTON, 1985

Type of Work	Proportion of Homeowners Undertaking Work (Percent)	Average Expenditure (Dollars)
Any R&R		
Exterior Painting	19	320
Landscaping	10	930
Fencing	9	510
Reroofing	6	1,280
Verandah/Porch/Sundeck	4	780
New Windows	4	1,630
Driveway/Walkway Paving	4	610
Eavestrough/Soffit/Fascia	4	680
Siding or Walls	4	3,620
New Doors	3	640
Patio	3	550
Weatherstripping	2	30
R&R of $1,000+		
Fencing	6	640
Landscaping	6	1,350
Exterior Painting	5	630
Reroofing	4	1,660
New Windows	4	1,760
Verandah/Porch/Sundeck	3	950
Eavestrough/Soffit/Fascia	3	970
New Doors	2	760
Siding or Walls	2	3,620
Driveway/Walkway Paving	2	870

Source: Environics HOMES (Alberta) Survey.

Almost one-fifth of homeowners undertook exterior painting work over the 12 months prior to the survey. Painting was the most common type of work indicated in the survey, and, other than weatherstripping, the least expensive - an average expenditure of only $320.

Landscaping and fencing were also relatively prevalent types of exterior R&R work with ten percent and nine percent, respectively, of homeowners indicating they had undertaken such work over the 12 month period prior to the survey. Landscaping work was relatively more costly (an average of $930) than the other more prevalent types of exterior R&R work. The average expenditure on fencing was $510.

Less prevalent (four to six percent of homeowners) was R&R work involving reroofing, new windows, driveway or walkway paving, eavestroughs or soffits, verandah/porch/sundecks, siding or walls. Average expenditures on these types of work ranged up to $3,620 for siding and wall work; installation of new windows and reroofing work entailed average expenditures of $1,630 and $1,280, respectively.

For homeowners whose total expenditure on R&R in the previous twelve months was $1,000 or more, the most common types of exterior work undertaken were fencing and landscaping (six percent of all homeowners), exterior painting (five percent) and reroofing and new windows (four percent each).

There were no major differences in the types of exterior R&R or the average expenditure between Calgary and Edmonton homeowners and homeowners in other parts of Canada as revealed in the HOMES National Survey.

Highest Incidence of Exterior R&R Contract Work Involves Siding or Walls

WHO DOES THE WORK?
MOST COMMON TYPES OF EXTERIOR REPAIR AND RENOVATION WORK
CALGARY AND EDMONTON, 1985

Type of Work	Hired All	Hired Part	Do-It-Yourselfers	Total*
	Percent			
Any R&R				
Exterior Painting	24	3	73	100
Landscaping	22	22	57	100
Fencing	35	2	63	100
Reroofing	73	6	21	100
Verandah/Porch/Sundeck	16	-	84	100
New Windows	70	13	17	100
Driveway/Walkway Paving	42	13	45	100
Eavestrough/Soffit/Fascia	64	-	36	100
Siding or Walls	85	5	10	100
New Doors	50	17	33	100
Patio	25	-	75	100
Weatherstripping	-	-	100	100
R&R of $1,000+				
Fencing	43	-	57	100
Landscaping	27	33	39	100
Exterior Painting	36	3	61	100
Reroofing	74	8	17	100
New Windows	71	14	14	100
Verandah/Porch/Sundeck	20	-	80	100
Eavestrough/Soffit/Fascia	71	-	29	100
New Doors	50	14	35	100
Siding or Walls	93	7	-	100
Driveway/Walkway Paving	23	23	54	100

* Totals may not add due to rounding.

Source: Environics HOMES (Alberta) Survey.

Siding and wall work was the type of exterior R&R with the highest concentration of contract work. Eighty-five percent of all siding/wall R&R work in Calgary and Edmonton in the twelve months prior to the survey was conducted wholly by contractors, with an additional five percent of the work partially contracted.

Other types of exterior R&R work which were predominantly completed by contractors include eavestroughs/soffits/fascias, new windows, reroofing and new doors.

The high incidence of contract work among these types of R&R work is confirmed by similar findings in the HOMES National Survey.

Do-it-yourselfers were most prevalent in Calgary and Edmonton in exterior R&R work involving weatherstripping or verandahs/porches/sundecks (100 and 84 percent, respectively, of all such work undertaken).

For those homeowners with exterior work valued at $1,000 or more, all siding or wall work was either wholly or partially done by contractors. As with all R&R work, reroofing, window or door work valued at $1,000 or more was mainly completed by contractors. As would be expected, in general, the proportion of do-it-yourself work is lower on the larger R&R jobs than for all R&R work.

Painting/Plastering/Drywall Most Common Interior Types of R&R Work

MOST COMMON TYPES OF INTERIOR REPAIR AND RENOVATION WORK
CALGARY AND EDMONTON, 1985

Type of Work	Proportion of Homeowners Undertaking Work (Percent)	Average Expenditure (Dollars)
Any R&R		
Interior Painting/Plastering/ Drywall	26	350
Carpets/Floors	11	1,600
Renovate, Repair or Add a Bathroom	9	1,130
Heating/Air Conditioning	7	750
Insulation	6	540
Family/Recreation Room	6	2,210
Renovate, Repair or Add a Kitchen	5	2,960
New Light Fixtures	4	230
General Rewiring	2	790
General Plumbing	2	260
New Bedroom/Living Quarters	2	1,400
R&R of $1,000+		
Interior Painting/Plastering Drywall	10	520
Carpets/Floors	8	1,940
Renovate, Repair or Add a Bathroom	6	1,550
Renovate, Repair or Add a Kitchen	4	3,370
Insulation	4	600
Family/Recreation Room	4	3,010
Heating/Air Conditioning	3	1,460
New Light Fixtures	2	360

Source: Environics HOMES (Alberta) Survey.

Over one-quarter of all Calgary and Edmonton homeowners undertook interior painting/plastering/drywall work in the twelve months prior to the survey. This was the most common type of interior R&R work and one of the least expensive, with expenditures averaging only $350.

Second in importance was work involving carpets/floors (11 percent of all homeowners) and work done to renovate, repair or add a bathroom (nine percent) - average expenditures on these types of work were $1,600 and $1,130, respectively.

Only five percent of homeowners undertook R&R work which involved renovating, repairing or adding a kitchen; this type of work, however, had the highest average expenditure at $2,960.

Average expenditures were also high among homeowners reporting R&R work on a family/recreation room ($2,210). The lowest average expenditures were on work involving new light fixtures.

For homeowners whose total R&R expenditures in the previous twelve months were $1,000 or more, the most common types of interior work undertaken were painting/plastering/drywall (ten percent of all homeowners), carpets/floors (eight percent) and bathroom work (six percent).

In general, average expenditures by Calgary and Edmonton homeowners on various types of interior R&R work were comparable to the Canada-wide results. The most significant difference was with regards to heating/air conditioning; for this type of work, Calgary and Edmonton homeowners spent only about half of the Canada average. This is likely because many homeowners in other parts of Canada are converting to natural gas or electric heat while most Alberta homeowners already heat with natural gas.

Incidence of Contract Work Generally Lower for Interior R&R Work

WHO DOES THE WORK?
MOST COMMON TYPES OF INTERIOR REPAIR AND RENOVATION WORK
CALGARY AND EDMONTON, 1985

Type of Work	Hired All	Hired Part	Do-It-Yourselfers	Total*
			Percent	
Any R&R				
Interior Painting/Plastering/Drywall	12	7	80	100
Carpets/Floors	64	5	31	100
Renovate, Repair or Add a Bathroom	24	16	60	100
Heating/Air Conditioning	72	9	19	100
Insulation	56	8	36	100
Family/Recreation Room	17	11	71	100
Renovate, Repair or Add a Kitchen	43	30	27	100
New Light Fixtures	8	4	88	100
General Rewiring	31	15	54	100
General Plumbing	27	18	55	100
New Bedroom/Living Quarters	-	10	90	100
R&R of $1,000+				
Interior Painting/Plastering Drywall	18	8	73	100
Carpets/Floors	69	4	27	100
Renovate, Repair or Add a Bathroom	30	24	45	100
Renovate, Repair or Add a Kitchen	36	36	27	100
Insulation	59	9	32	100
Family/Recreation Room	19	14	67	100
Heating/Air Conditioning	76	18	6	100
New Light Fixtures	17	8	75	100

* Totals may not add due to rounding.

Source: Environics HOMES (Alberta) Survey.

In general, the incidence of do-it-yourselfers among Calgary and Edmonton homeowners is substantially higher for interior R&R work than for exterior work. For most of the types of interior R&R work shown here, over half the work is completed by do-it-yourselfers.

However, for many of the major R&R jobs such as those involving carpets/floors, heating/air conditioning, insulation (in many cases, probably as part of a larger project) or renovating/repairing/adding a kitchen, the majority of the R&R work was done either entirely or partially by contractors.

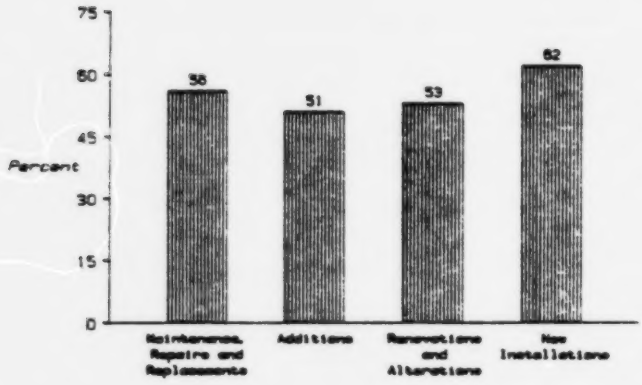
The highest incidence of contract work was for R&R involving heating/air conditioning - 72 percent of all such work undertaken was done entirely by contractors, with a further nine percent partially done by contractors.

Do-it-yourselfers undertook the major proportion of work involving new light fixtures, interior painting/plastering/drywall or new bedroom/living quarters.

Results were similar for R&R work valued at $1,000 or more for Calgary and Edmonton homeowners in the twelve months prior to the survey.

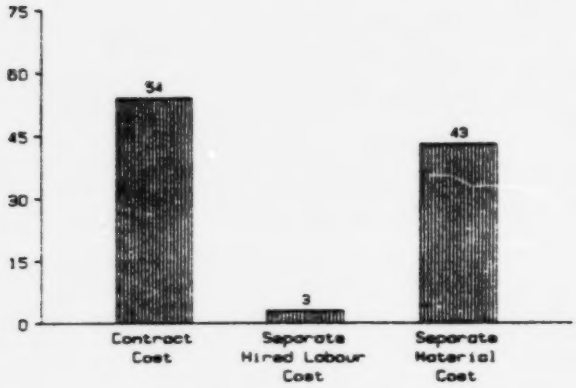
Contractors Account for More Than Half All R&R Work

CONTRACTOR SHARE OF R&R BY TYPE OF WORK
ALBERTA, 1982



Source: Clayton Research Associates based on Statistics Canada 1982 FAMEX Survey data.

PERCENT SHARES OF R&R BY TYPE OF COSTS
ALBERTA, 1982



Source: Clayton Research Associates based on Statistics Canada 1982 FAMEX Survey data.

For each of the major types of homeowner R&R work, contractors account for more than half of the expenditures. The contractor share of homeowner R&R work in Alberta in 1982 varied from 51 percent for additions up to 62 percent for new installations (see the definitions for these types of R&R work on page 3).

For all types of homeowner R&R work in Alberta in 1982 combined, the contractor share of the cost was 54 percent. Separate materials costs for homeowners who do the R&R work themselves comprised 43 percent of total homeowner R&R while separate hired labour costs for homeowners supplying the materials comprised three percent.

This FAMEX data relates to the entire province of Alberta in 1982. Data on the previous pages was largely from the HOMES (Alberta) Survey and related to Calgary and Edmonton in 1985. It was not possible to massage the HOMES (Alberta) Survey results to yield this type of data.

HOMEOWNER REPAIR AND RENOVATION WORK BY TYPE OF COST
ALBERTA, 1982

	$ Millions				Percent Share*			
Type of Work	Contract Cost	Separate Hired Labour Cost	Separate Material Cost	Total Expenditure	Contract Cost	Separate Hired Labour Cost	Separate Material Cost	Total
Maintenance, Repairs and Replacements	107	5	80	192	56	3	42	100
Additions	110	5	100	215	51	2	47	100
Renovations and Alterations	116	7	94	217	53	3	43	100
New Installations	56	3	32	91	62	3	35	100
Total	389	20	306	715	54	3	43	100

* Totals may not add due to rounding.

Source: Clayton Research Associates based on Statistics Canada 1982 FAMEX Survey data.

Who Hires Contractors?

From the cross-tabulations of the HOMES (Alberta) Survey it is possible to distinguish some of the general characteristics of homeowners and dwellings for which contractors do a greater proportion of the work than do-it-yourselfers. However, the sample sizes for this analysis are very small so only general conclusions rather than hard data are presented.

- Older homeowners are more likely to contract out R&R work than younger ones.
- Homeowners with higher incomes as well as those with no mortgages appear more likely to hire contractors for R&R work than other homeowners with less disposable income.
- The longer a resident has lived in a home, the greater is the probability that R&R work will be completed by a contractor.
- Homes with higher values appear to have higher incidences of contractor R&R than lower valued homes.
- R&R work on older homes tends more often to be undertaken by a contractor.

THE FUTURE REPAIR AND RENOVATION MARKET AND OPPORTUNITIES FOR HOMEBUILDERS

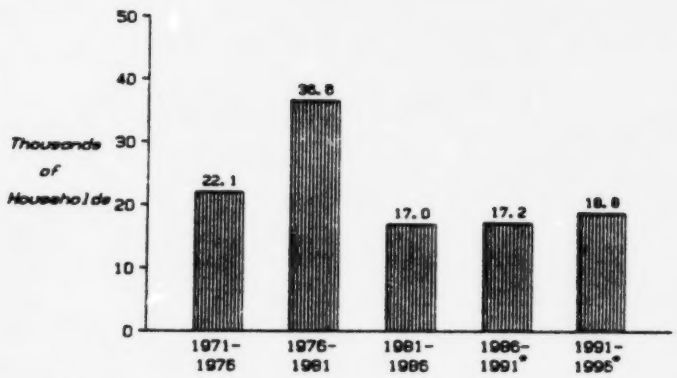
This section reviews the likely trends in R&R spending in Alberta over the next decade and the share of this work which is likely to be completed by contractors as opposed to do-it-yourselfers. The section also identifies opportunities available for builders to obtain a larger volume of R&R work.

New Construction to Recover from Current Low Levels

While detailed projections of the volume of new construction in Alberta were not prepared for this report, it is clear from rough estimates that new construction will over the next few years regain the largest share of expenditures on residential construction. The Alberta economy is recovering and the population of the province is growing, though it is unlikely that the dramatic economic and population growth experienced in the late 1970s and early 1980s will be repeated. Projections prepared by the Alberta Bureau of Statistics indicate that, over the 1986-1996 decade, population growth is expected to average between 1.57 percent (low) and 1.71 percent (high) per year.

Using the low population projection and assuming that household formation (for each age group) remains approximately at the levels indicated in the 1981 Census, a set of crude, conservative projections of household growth over the 1986-1996 decade has been prepared for illustrative purposes. These projections indicate that overall household growth in Alberta should average 17,200 per year in 1986-1991 and 18,800 in 1991-1996. This compares with average annual household growth of 35,500 in 1976-1981 and roughly 17,000 over the 1981-1986 period as a whole.

AVERAGE ANNUAL HOUSEHOLD GROWTH
ALBERTA, 1971-1996



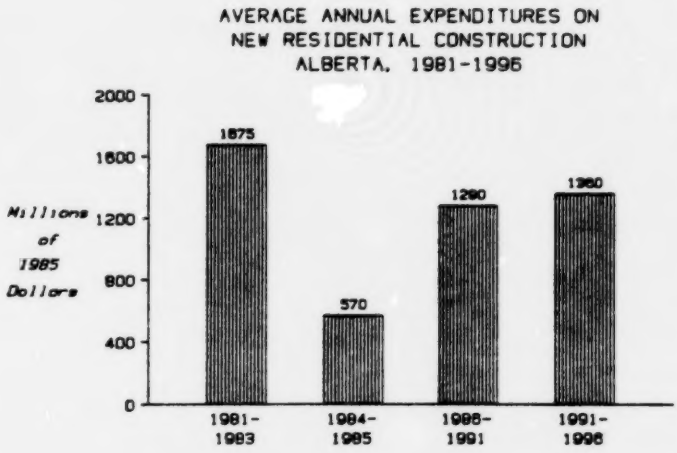
* Based on a low population projection and constant headship rates.

Source: Census of Canada (1971-1981) and projections by Clayton Research Associates.

Normally, assuming no change in the number of vacant dwellings, housing production would be somewhat higher than household growth in order to account for losses to the total housing stock due to demolitions, etc.

Therefore, significant increases in housing starts from the depressed 7,200-7,500 levels of 1984 and 1985 are expected in the remainder of the 1980s - though probably not back to the 30,000 plus levels of the late 1970s and early 1980s. For 1986, Clayton Research is forecasting an increase in starts to 10,500 units.

Expenditures on New Construction to Increase Significantly



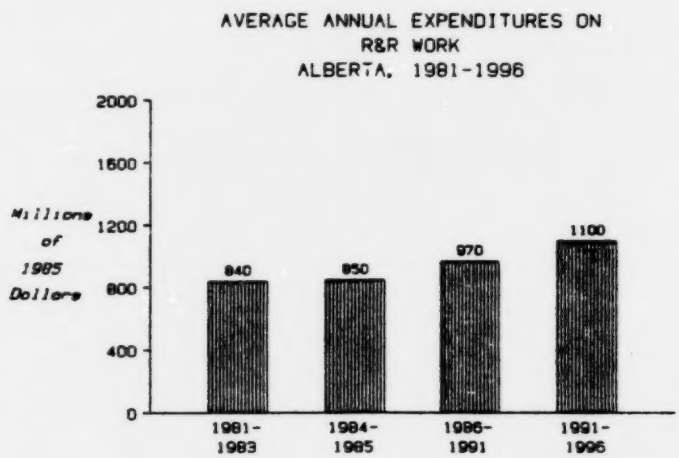
Source: Estimates by Clayton Research Associates.

Concurrent with the increase in the volume of new housing construction expected over the late 1980s, there will be an increase in the expenditures on new residential construction from the very low levels which have characterized 1984-1985.

The average annual expenditures (1985 dollars) associated with the volume of starts required to meet the projected household growth in Alberta in the next decade is estimated at roughly $1.28 billion in 1986-1991 and $1.36 billion in 1991-1996. This is significantly higher than the estimated average $0.57 billion in 1984-1985.

These estimates are presented for illustrative purposes only. They are intended to indicate the broad upward trend in expenditures on new residential construction likely in Alberta over the next decade. The estimates were formulated based on the rough (conservative) projections of household growth, an allowance for net replacement demand and an estimate of the average construction costs associated with different dwelling types in 1985.

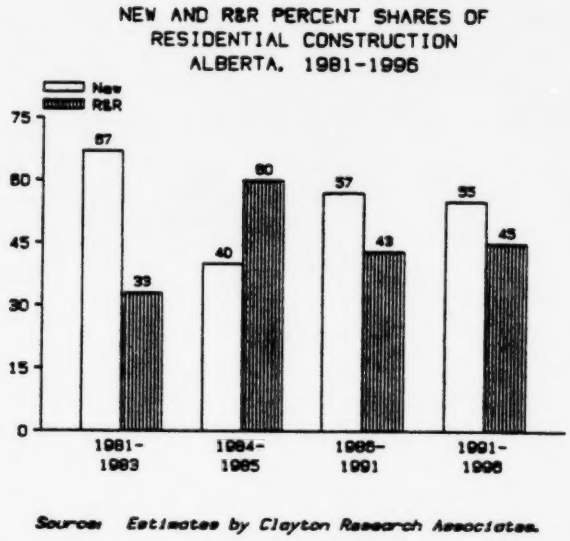
Substantial Growth in R&R Expenditures But Slower Than for New



Source: Estimates by Clayton Research Associates.

Compared with the large rise in expenditures in new residential construction expected in the province over the next decade, the expected growth in R&R expenditures, though substantial, is relatively modest.

Assuming that the proportion of homeowners undertaking R&R work and the average R&R expenditures of different types of households remains at approximately the 1985 level, total R&R expenditures are estimated at an average of $0.97 billion (1985 dollars) in the 1986-1991



Source: *Estimates by Clayton Research Associates.*

period and $1.10 billion (1985 dollars) over the 1991-1996 period. This is a rise of about 14 percent over the 1986-1991 period and 13 percent in 1991-1996.

Thus, over the next decade, it is expected that new construction in Alberta will recover to the point where R&R work will account for about 43 percent of total residential construction. This is a higher proportion than that which prevailed in the late 1970s and early 1980s when strong economic growth in Alberta pushed housing starts to record levels. However, it is much lower than the estimate of the R&R share for the past two years.

Only Slight Increase in Contractors' Share of R&R Work Projected for 1986-1996

Based on the expected changes in the age and family type structure of ownership households in Alberta over the next decade, there is expected to be a very modest shift in the proportion of total R&R work in the province which is completed by contractors as opposed to do-it-yourselfers.

This slight increase assumes that homeowners in the various age and family type groups retain roughly the same incidences of R&R work and average expenditures as were evident from the HOMES (Alberta) Survey results summarized in the previous sections of this report.

Thus, over the next decade, there are expected to be increased opportunities for builders in the R&R market simply as a result of demographic changes and growth in the homeowner segment of the housing market in Alberta. The next several pages outline some other opportunities which may exist for builders in the increasingly important R&R market.

New R&R Opportunities for Homebuilders

Much of the impetus for this report was the need for many homebuilders in Alberta to seek markets outside of their traditional market - new home sales - because of the precipitous decline in the demand for new housing over the past few years. It is evident from the foregoing that there will be a recovery in new housing demand over the next few years and, no doubt, many of the builders which would have participated in the Alberta R&R market if new activity had stayed depressed will return to building new housing exclusively.

However, that does not mean that there are no opportunities for these builders in the R&R market. Much of the R&R work is already done by contractors and the changing population age structure over the next decade appears to be at least mildly favourable both to increased homeowner R&R spending and to a slightly increased share of this homeowner R&R to be contracted out as opposed to being completed by do-it-yourselfers.

Increased opportunities for individual homebuilders in the R&R market in Alberta over the coming decade will arise from one or more of the following:

- Increases in total R&R spending;
- Increases in the share of current R&R spending accruing to contractors as opposed to do-it-yourselfers; and
- Increases in an individual contractor's share of the portion of the R&R market now accruing to contractors.

Each of these possible avenues is explored in more detail below.

Opportunities to Expand R&R Spending

The main means of expanding R&R spending among homeowners is to convince more homeowners to renovate or add to their current homes as an alternative to moving to newer, larger or otherwise more suitable accommodation. This is a feasible alternative for many homeowners though they may not always fully explore the possibilities of the R&R option.

The latter half of the 1980s and the early 1990s have been properly characterized as the era of the move-up homeowner. The peak of the baby boom generation has now reached the age where they own their homes and an increasing number of these owners will over the next decade be seeking to upgrade their accommodation. In the past this upgrading process normally entailed moving to larger or higher quality accommodation - often new housing. This does not necessarily have to occur, many of these families and individuals live in housing which, with renovations or additions, could be upgraded to be an attractive alternative to moving.

In many cases, homeowners may prefer to stay in their current homes. Over the years, they may have already made many alterations to the home which re-

flect features they would prefer to have but may not readily obtain in a different dwelling. The location may also suit them better in terms of established business and personal relationships. If the necessary changes to their home can be made in a cost-effective manner (compared to the costs of moving and the higher price of a new home), more homeowners may stay on and renovate instead - this has been demonstrated by the increased renovations spending occurring in the central locations of larger cities in other parts of Canada.

Opportunities to Increase the Contractors' Share of Homeowner R&R Work

At present, contractors are estimated to account for slightly more than half of all homeowner R&R spending in Alberta. There are many types of R&R jobs where only a relatively small proportion of the work is carried out by contractors. The analysis of who does the R&R work (see pages 29 and 31) provides a useful guide to the types of jobs which have a relatively low proportion of work done by contractors as opposed to do-it-yourselfers. There may be opportunities here for increasing the contractors' share of the market and they would not necessarily be only in the smaller types of jobs.

Opportunities to Increase Share of Contractor R&R Market

The more than 50 percent share of Alberta homeowner R&R work that is already done by contractors is itself a very large market - close to half a billion dollars in 1985. For aggressive, competent contractors there will be opportunities to expand their market share of this large market.

Capitalizing on R&R Opportunities for Homebuilders

There are a variety of measures which may assist builders in expanding the size, as well as tapping a larger share, of the R&R opportunities in Alberta:

- First and foremost, builders must move to upgrade the public image of the R&R industry. There are endless "horror stories" of homeowners who, rightly or wrongly, believe that contractors have not delivered on either the quality or price of R&R work agreed to. The public generally does not understand the difficulties faced by R&R contractors in estimating costs for work and the necessity to hire a reputable contractor rather than necessarily accept the lowest bid. Homebuilders' associations can assist in this regard by undertaking a public awareness campaign on these issues and by maintaining and policing a list of R&R contractor members and the degree of satisfaction of homeowner clients of these firms. In addition, measures such as a code of ethics, a standardized R&R contract and possibly a warranty program for renovations would assist in allaying the pub-

lic's fears about R&R contractors. To achieve and maintain the necessary public trust, however, the homebuilders' associations must be prepared to step in and correct problems and to discipline, and possibly bar, members who do not achieve the standards of work and consumer relations that homeowners demand.

- In appealing to the market for renovations to existing homes as an alternative to homeowners' moving to a newer or larger dwelling, builders must communicate to the homeowning public that renovations represent a viable, cost-effective alternative. Demonstrations of the changes that can be made to typical older houses (to make them more acceptable to changing family circumstances and lifestyles) with suitable media coverage would assist in this communication process.

- Builders interested in undertaking major renovations for homeowners should be prepared to offer the entire package from initial design based on the homeowners' rough ideas, through necessary municipal approvals, construction, clean-up and follow-up on consumer complaints. Most homeowners do not have the capability or interest to undertake much of the non-construction background work involved and builders need to be prepared and capable of offering advice on all aspects of the work.

- In the repair market, there are likely opportunities for a package of on-going repair services available to homeowners for a guaranteed price. Many homeowners do not have the knowledge to undertake even small minor repair jobs around the house and would be prepared to engage a contractor to be available to undertake work on an as needed basis at a basic hourly cost that is agreed upon in advance. Such a service would be particularly attractive to affluent homeowners who may wish to do little or none of the regular repair work necessary around the house. It would also be of interest to less affluent homeowners who need help with only some of the jobs (and where a trusted contractor would be more appealing than resorting to the telephone book) and to elderly homeowners who may not possess the physical capabilities to undertake maintenance work.

APPENDIX

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APPENDIX

This appendix presents some background about the HOMES (Alberta) Survey and the Statistics Canada Family Expenditure (FAMEX) Survey which were used as the basis for much of the analysis presented in this report. It also contains an explanation of the methodology used to derive estimates of total R&R activity in Alberta.

THE HOMES (ALBERTA) SURVEY

This survey was undertaken by Environics Research Group as part of the HOMES National Survey which collects a variety of housing-related information from homeowners and renters in major centres across Canada. The HOMES (Alberta) Survey consists of an enriched sample of 600 homeowners (about half of them were part of the normal HOMES National sample) which provided the base from which questions concerning homeowner renovation could be asked - no renters are included in the HOMES (Alberta) sample.

A copy of the HOMES (Alberta) Survey questionnaire is included on pages A-3 to A-16 of this appendix. The questionnaire was administered to a random sample of 600 homeowners in Calgary and Edmonton through a telephone interview. The sample size was constrained by the available budget for this assignment; however, it is considered that the survey results are sufficiently reliable to be a useful indicator of R&R trends in these Alberta centres.

The following table shows the margins of error associated with various sample sizes at various levels of confidence. It is apparent that the sample of 600 homeowners together can be expected to yield quite reliable results of ± 4.1 percent at the 95 percent confidence limit (19 times out of 20). However, when the sample size is reduced, as it inevitably is when analysis of R&R activity by differing household or dwelling types is undertaken, the range of possible error gets much larger. To maintain the highest level of confidence in the results, a sample size at least five times as large as the 600 homeowners for the HOMES (Alberta) Survey would have been required.

No. of Respondents	Percent Margin of Error Level of Confidence		
	95%	90%	68%
15	± 25.3	± 21.2	± 8.6
30	± 17.9	± 15.0	± 6.1
50	± 14.1	± 11.6	± 4.7
75	± 11.3	± 9.5	± 3.9
100	± 0.0	± 8.2	± 3.4
200	± 7.1	± 5.8	± 2.4
400	± 5.0	± 4.1	± 1.7
600	± 4.1	± 3.4	± 1.4

For the analysis here, however, it is not considered necessary to have the highest levels of confidence. Most of the analysis conducted in the main body of the report is based on detailed results for which the sample size was in the 50-200 range. It is evident that, at this sample size range, the results can be generally indicative of trends if they differ by ±2.4 percent to ±4.7 percent - at the 68 percent level of confidence.

The issue is what level of confidence is sufficient to treat the results as being reasonably representative of trends in R&R activity. For the purposes of this report, results based on cells which had responses of ten or less homeowners who had undertaken R&R work (a probable sample size of 15-20) are not presented. All results based on cells which had responses of 30 or less homeowners (a probable sample size of 50-60) are marked with an asterisk (*) to warn of a relatively small sample size and should be treated with caution. The other results are treated as being reasonably reliable. Where possible, the results are compared with results from other sources such as the HOMES National Survey and the Statistics Canada FAMEX Survey and any unusual differences are noted.

To provide a sense of the reliability of the HOMES (Alberta) Survey results, the following example of homeowners by age of household head is presented.

SAMPLE RESPONSE FROM HOMES (ALBERTA) SURVEY

Age Group	Number of Responses				% Yes
	Yes R&R	No R&R	N/A	Total	
15-24	4	4	2	10	50
25-34	102	36	13	151	74
35-44	101	29	24	154	78
45-54	58	32	18	108	64
55-64	53	26	18	97	67
65 +	23	12	7	42	66
N/A	12	20	6	38	
Total	353	159	88	600	69

Source: Environics HOMES (Alberta) Survey.

In the analysis in the main body of the report (page 11):

- The results for the 15-24 age group are not provided because of the small sample size;
- The results for the 65 and over age group are presented but they are asterisked because the sample size is not considered to be sufficiently large to have reasonable confidence in the results - this is also noted in the write-up on the incidence of R&R by age of household head; and
- The results for the other age groups are presented but comments about differences among individual age groups are confirmed by use of the HOMES National Survey and FAMEX Survey results.

The treatment of the other questions regarding the incidence of R&R work in the report is similar. For the amounts spent on R&R, simple averages of all homeowners undertaking R&R are presented.

A copy of the HOMES (Alberta) Survey questionnaire is provided on the following pages.

Environics
July, 1985

HOMES NATIONAL (ALBERTA)
Project #3193

CMA _____ |__|__|

Town _____ |__|__|

Tel. No._____

INTRODUCTION:

Hello, my name is _____ from Environics Research Group. We are conducting a major survey on housing issues and problems across Canada and would appreciate your help. I would like to assure you that we are not selling or soliciting anything. May I please speak to the male or female head of the household?

IF MALE OR FEMALE HEAD NOT AVAILABLE

We would like to call back and speak to the person. Can you tell me when would be the best time to reach him/her? **(RECORD CALL-BACK DATA BELOW)**

CALL BACK DATA

Call #	Date	Time	Inter-viewer	Result of Call	Comments	Call #	Date	Time	Inter-viewer	Result of Call	Comments
1						5					
2						6					
3						7					
4						8					

INTERVIEW RESULTS: (INSERT CODE ABOVE)

Interview completed 1

Not at home, not available (SPECIFY CALL BACK DATE AND TIME) 2

Language barrier (SPECIFY LANGUAGE) ... 3

Incomplete interview 4

Refusal (SPECIFY REASON) 5

Not eligible (business) 6

Number not in service, changed number 7

Terminated at Q.1, Renter 8

No answer, line busy 0

1. Do you rent or own your present accommodation?

Rent	1	— TERMINATE
Own	2	ASK Q.2
Other (SPECIFY) _____	3	ASK Q.2
Don't Know/Refuse	9	ASK Q.2

2. Could you tell me how long you have been living at your present address?
(RECORD TO CLOSEST YEAR)
LESS THAN 6 MONTHS = 00
DK/NA/REFUSE = 99 |__|__|

3. How would you rate your overall satisfaction with your present home?

READ

Very satisfied	1
Somewhat satisfied	2
Somewhat dissatisfied, or	3
Very dissatisfied?	4
Don't know/Refuse	9

4. Do you live in a condominium?

Yes	1	— ASK (b)
No	2	GO TO Q.6
Don't know/Refuse	9	GO TO Q.6

5. Is it a ...

READ

Townhouse	1	— ASK Q.7
A building with an elevator, or	2	GO TO Q.8
A building without an elevator	3	GO TO Q.8
Don't know/Refuse	9	— ASK Q.7

6. Does your house stand by itself on its own lot or is it attached to another house?

Detached/own lot	1
Attached	2
Don't know/Refuse	9

7. How many floors (storeys) do you have in your home?

1 storey	1
Split-level/bi-level (side or back split)	2
1-1/2 storey	3
2 storey	4
2-1/2 storey	5
3+ storey	6
Don't know/Refuse	9

8. How many bedrooms in total do you have in your home?
REFUSE/DON'T KNOW = 9
8 OR MORE = 8 Bedrooms |__|

9. Do you rent out part of your home?

Yes	1
No	2
Don't know/Refuse	9

10. Did you buy your home when it was brand new or was it previously owned by someone else?

Brand new	1
Previously owned/resale/old/renovated	2
Don't know/Refuse	9

11. Approximately how old is your home?

READ

Less than 5 years	1
5-10 years	2
11-20 years	3
21-30 years	4
31-40 years	5
41 years and older	6
Don't know/Refuse	9

12. Approximately, what is the current value of your home?
REFUSE/DON'T KNOW = 999

$ |__|__|__|,000

13. How many mortgages do you have on your home? (RECORD)
REFUSE/DON'T KNOW = 9

Number of mortgages |__|

IF 0, GO TO Q. 15
IF REFUSE, GO TO Q.15

14. Approximately, how much are your total monthly mortgage payments excluding taxes and/or condominium fees?
REFUSE/DON'T KNOW = 9999

$ |__|.|__|__|__|

15. (a)In the past year, did you repair, upgrade or replace your existing heating system? (CIRCLE ALL THAT APPLY)

Repair	1
Upgrade	1
Replace	1
DK/Refuse	1
None	1

(b) In the past year, did you install air conditioning?

Yes	1
No	2
DK/Refuse	9

16. How old is your heating unit? Is it...

READ

Less than 5 years old	1
5-10 years old	2
10-20 years old, or	3
More than 20 years old	4
DK/NA	9

17. Do you plan to move from your present home within the next <u>two</u> years or so?

DO NOT READ

Yes	1
Probably yes	2
Probably not	3
No	4
Don't know/Refuse	9

18. Just to refresh my memory do you live in an apartment condominium?

Yes	1 - GO TO Q.22
No	2 - GO TO Q.19

19. Thinking back over the past 12 months, have you done or are you currently doing any repairs or renovations to the <u>exterior</u> of your home?

Yes	1	ASK Q. 20
No	2	GO TO Q.22
Don't know/no answer	9	GO TO Q.22

20. Which of the following have you done?
(READ EXTERIOR RENOVATIONS LIST - RECORD RENOVATION AND CODE AND ASK (b) AND (c)

THEN CHECK LIST BELOW

(a) Record exterior renovation and code	(b) How much did you spend on ___ including labour and materials? RECORD AMOUNT Refuse/ Don't know = 99999	(c) Did you hire someone to do all or part of the work? Yes, all = 1 Yes, part = 2 No = 3 Refuse/ Don't know = 9
#1 _____ |__|__|	$|__|__|.|__|__|__|	|__|
#2 _____ |__|__|	$|__|__|.|__|__|__|	|__|
#3 _____ |__|__|	$|__|__|.|__|__|__|	|__|
#4 _____ |__|__|	$|__|__|.|__|__|__|	|__|
#5 _____ |__|__|	$|__|__|.|__|__|__|	|__|

CHECK ALL THAT APPLY

[ ] IF 04 SIDING OR WALLS, ASK Q.21

[ ] IF NO SIDING OR WALLS, GO TO Q.22

IF SIDING OR WALLS, ASK:

21. Did you install insulation with the siding?

Yes	1
No	2
DK/NA/Refuse	9

22. In the past 12 months have you done, or are you currently doing any repairs or renovations to the inside of your home?

Yes	1	ASK Q 23
No	2	GO TO Q.27
DK/NA	9	GO TO Q.27

4. RENOVATION AND REPAIR

CODE	EXTERIOR RENOVATIONS
01	Roofing - repair - replace
02	New doors
03	New windows
04	Siding or walls - new siding - with insulation - replacement siding - with insulation
05	Landscaping
06	Exterior painting
07	Fencing
08	Driveway/walkway paving
09	Verandah/porch/sundeck
10	Entrance steps
11	Patio
12	Eavestrough/soffit/fascia
13	Chimney
14	Weatherstripping
15	Pool/hot tub
16	Garage
17	Addition of room to house
18	Any other exterior renovations or repairs?

23. (a) Which of the following have you done?
(READ INTERIOR RENOVATIONS LIST - RECORD RENOVATION AND CODE AND ASK (b) AND (c)

THEN CHECK LIST BELOW

(a) Record interior renovation and code		(b) How much did you spend on renovation including labour and materials? RECORD AMOUNT Refuse/DK/NA = 99999	(c) Did you hire someone to do all or part of the work? Yes, all = 1 Yes, part = 2 No = 3 Refuse/DK/NA = 9
#1	_____ |__|__|	$|__|__|.|__|__|__|	|__|
#2	_____ |__|__|	$|__|__|.|__|__|__|	|__|
#3	_____ |__|__|	$|__|__|.|__|__|__|	|__|
#4	_____ |__|__|	$|__|__|.|__|__|__|	|__|
#5	_____ |__|__|	$|__|__|.|__|__|__|	|__|

CHECK ALL THAT APPLY

[ ] IF 20 BATHROOM, ASK Q.24

[ ] IF 21 KITCHEN, ASK Q.25

[ ] IF 22 INSULATION, ASK Q. 26

[ ] IF NONE OF THE ABOVE, GO TO Q.27

IF BATHROOM, ASK:

24. (a) Did you renovate or repair your bathroom, or add a bathroom?

Renovate/Repair	1
Add a bathroom	2
Both	3
DK/NA/Refuse	9

(b) Which of the following did you install or replace?
(READ LIST; CIRCLE ALL THAT APPLY)

Sink	1
Shower/tub	1
Toilet	1
Plumbing & Fixtures	1
Bidet	1
Countertops/lighting/cupboards/cabinets	1
Flooring/walls	1
Other (Specify) _____	1
DK/NA/Refuse	1

IF KITCHEN, ASK:

25. (a) Did you renovate or repair your kitchen or add a kitchen?

Renovate/repair	1
Add a kitchen	2
Both	3
DK/NA/Refuse	9

CODE	INTERIOR RENOVATIONS
20	Renovate, repair or add a bathroom Bathroom - add - repair, renovate - sink - shower/tub - plumbing - toilet - cupboards - bidet - floor/walls - other
21	Renovate, repair or add a kitchen Kitchen - add - repair/renovate - sink - counters - floors/walls - plumbing - appliances - other
22	Insulation - attic - walls - basement
23	Carpets/floors
24	General plumbing
25	Interior painting
26	General rewiring (panel box, service)
27	New light fixtures
28	Family/recreation room
29	New bedrooms/living quarters
30	Heating/air conditioning - repair existing heating - replace heating oil — oil gas — gas electric — electric propane — propane wood/coal — wood/coal other — other - supplement existing heating - air conditioning
31	Fireplace
32	Any other interior renovations or repairs?

(b) Which of the following did you install or replace?
(READ LIST; CIRCLE ALL THAT APPLY)

Sink	1
Counters	1
Cupboards/cabinets	1
Flooring/walls	1
Plumbing & Fixtures	1
Appliances	1
Lighting	1
Other (Specify) _____	1
DK/NA/Refuse	1

IF INSULATION, ASK:

26. (a) Where was insulation installed?
(READ AND CIRCLE ALL MENTIONED).

Attic	1
Basement	1
Walls	1

IF APARTMENT CONDO GO TO Q.30

27. Do you have definite plans to make any repairs or renovations to the exterior of your home in the next 12 months?

Yes	1 — ASK Q. 28
No	2 } GO TO Q.30
DK/NA	9 } GO TO Q.30

28. Which of the following do you plan to do?
(READ EXTERIOR RENOVATIONS LIST - RECORD RENOVATION AND CODE AND ASK (b) AND (c) THEN CHECK LIST BELOW

(a) Record exterior renovation and code		(b) How much do you plan to spend on ____ including labour and materials? RECORD AMOUNT Refuse/ Don't know = 99999	(c) Do you plan to hire someone to do all or part of the work? Yes, all = 1 Yes, part = 2 No = 3 Refuse/ Don't know = 9
#1	|__|__|	$|__|__|.|__|__|__|	|__|
#2	|__|__|	$|__|__|.|__|__|__|	|__|
#3	|__|__|	$|__|__|.|__|__|__|	|__|
#4	|__|__|	$|__|__|.|__|__|__|	|__|
#5	|__|__|	$|__|__|.|__|__|__|	|__|

CHECK ALL THAT APPLY

[ ] IF 04 SIDING OR WALLS, ASK Q.29

[ ] IF NO SIDING OR WALLS, GO TO Q.30

IF SIDING OR WALLS, ASK:

29. Will you install insulation with the siding?

Yes	1
No	2
DK/NA/Refuse	9

30. Do you plan to make any repairs or renovations to the interior of your home in the next 12 months?

Yes	1 — ASK Q. 31
No	2 } GO TO Q.36
DK/NA	9 }

31. Which of the following do you plan to do?
(READ INTERIOR LIST - RECORD RENOVATION AND CODE AND ASK (b) AND (c) THEN CHECK LIST BELOW

(a) Record interior renovation and code	(b) How much do you plan to spend on _____ including labour and materials? RECORD AMOUNT Refuse/ Don't know = 99999	(c) Do you plan to hire someone to do all or part of the work? Yes, all = 1 Yes, part = 2 No = 3 Refuse/ Don't know = 9
#1 _____ |__|__|	$|__|__|.|__|__|__|	|__|
#2 _____ |__|__|	$|__|__|.|__|__|__|	|__|
#3 _____ |__|__|	$|__|__|.|__|__|__|	|__|
#4 _____ |__|__|	$|__|__|.|__|__|__|	|__|
#5 _____ |__|__|	$|__|__|.|__|__|__|	|__|

CHECK ALL THAT APPLY

[ ] IF 20 BATHROOM, ASK Q.32

[ ] IF 21 KITCHEN, ASK Q.33

[ ] IF 22 INSULATION, ASK Q.34

[ ] IF 30 HEATING/AIR CONDITIONING, ASK Q.35

IF NONE OF THE ABOVE, GO TO Q.36

IF BATHROOM, ASK:

32. (a) Will you renovate or repair your bathroom, or add a bathroom?

Renovate/Repair	1
Add a bathroom	2
Both	3
DK/NA/Refuse	9

(b) Which of the following will you install or replace?
(READ LIST; CIRCLE ALL THAT APPLY)

Sink	1
Shower/tub	1
Toilet	1
Plumbing & Fixtures	1
Bidet	1
Countertops/lighting/cupboards/cabinets	1
Flooring/walls	1
Other (Specify) _____	1
DK/NA	1

IF KITCHEN, ASK:

33. (a) Will you renovate or repair your kitchen or add a kitchen?

Renovate/repair	1
Add a kitchen	2
Both	3
DK/NA/Refuse	9

(b) Which of the following will you install or replace? (READ LIST; CIRCLE ALL THAT APPLY)

Sink	1
Counters	1
Cupboards/cabinets	1
Flooring/walls	1
Plumbing & Fixtures	1
Appliances	1
Lighting	1
Other (Specify) _____	1
DK/NA	1

IF INSULATION, ASK:

34. Where do you plan to install insulation? (READ AND CIRCLE ALL MENTIONED)

Attic	1
Basement	1
Walls	1
DK/NA	1

IF HEATING/AIR CONDITIONING, ASK:

35. (a) Will you repair, upgrade or replace your existing heating system?

Repair	1
Upgrade	2
Replace	3
DK/NA/Refuse	9

(b) Will you use the same source of energy as now or will you change to another source?

Same source	1
Change source	2
Both	3
DK/NA/Refuse	9

(c) What energy source(s) will you change to? (CIRCLE ALL THAT APPLY)

Oil	1
Gas	1
Electric	1
Propane	1
Wood/coal	1
Solar	1
Other (Specify) _____	1
DK/NA	1

(d) Will you install air conditioning?

Yes	1
No	2
DK/NA/Refuse	9

36. I'd just like to ask you a few questions about yourself and your household. Please be assured that all your responses will remain absolutely confidential.

How many people, including yourself, live in your home?
REFUSE = 9
MORE THAN 8 = 8 Persons |__|

37. How many motor vehicles do you have in your household?
REFUSE = 9
MORE THAN 8 = 8 Vehicles |__|

38. (a) Do you have any children living with you?

Yes	1	-ASK (b)
No	2	GO TO Q.39
Don't know/Refuse	9	

(b) How many children do you have living with you in the following age groups? DK/NA/REFUSE = 9

READ

Under 5	|__|
5 - 9	|__|
10 - 14	|__|
15 - 19	|__|
20 or older	|__|

39. What is your marital status? Are you...

READ

Single, never married	1
Married	2
Separated/Divorced, or	3
Widowed?	4
Don't know/Refuse	9

40. In what year were you born? 1 9 |__|__|
REFUSE/DON'T KNOW = 99

41. Would you describe the area you are now living in as being fairly close to downtown, an older suburban area or a new suburban area?

Downtown/close to downtown	1
Older suburb	2
New suburb	3
Acreage in country/rural	4
Other	5
Don't know/Refuse	9

42. I need some information about your school background. What was the highest level of education you reached?

Grade school	1
Some high school	2
Completed high school	3
Some university	4
Completed university	5
Commercial/technical/community college	6
Postgraduate university/professional school	7
Refused, no answer	9

43. What is your working status? Are you... (CIRCLE ONE ONLY)

READ

Working full-time	1
Working part-time	2
Going to school (and not working)	3
Homemaker	4
Unemployed, laid off, or	5
Retired	6
Refused, no answer	9

44. To which of the following ethnic or cultural groups do you belong? CIRCLE ONE ONLY; IF MORE THAN ONE, USE FATHER'S GROUP

READ

British (English, Irish, Scottish or Welsh)	01
French	02
Italian	03
Portuguese	04
Greek	05
Jewish	06
West Indian (Caribbean)	07
Pakistani or East Indian	08
Oriental (Chinese, Japanese, Vietnamese, Philipino, etc.)	09
Or other European (German, Scandinavian, Polish, Ukrainian, Czechoslovakian, etc.)	10
Other (SPECIFY) _____	11

DO NOT READ

Canadian (PROBE: native Canadian)	12
American	13
Don't know/Refuse	99

IF CANADIAN OR AMERICAN, PROBE FOR ETHNIC ROOTS ON FATHER'S SIDE

45. (a) For statistical purposes only, we need information about your income. All individual responses will be kept confidential. Please tell me which category applies to your total household income for 1984.

READ

Under $10,000	1
$10,000 to $20,000	2
$20,000 to $30,000	3
$30,000 to $40,000	4
$40,000 to $50,000	5
$50,000 to $60,000	6
$60,000 and over	7
Don't know/Refuse	9

(b) Does this include income from more than one person?

Yes	1
No	2
Don't know/Refuse	9

46. DO NOT ASK: RESPONDENT SEX:

Male	1
Female	2

47. In case my supervisor wants to verify that I conducted this interview with you, may I please have your first name?

NAME _____

48. And just to check that I've dialed the right number is this _____. (READ TELEPHONE #)?

Number correct |__|

Incorrect Number -ASK FOR ACTUAL # AND RECORD _____.

These are all the questions I have now.

If we have other questions, may we call you back.

Yes	1
No	2

End Time |__|__| HOURS |__|__| MINUTES

Length of Interview |__|__|

Interviewer Signature _____ Int. No. |__|__|

Thank you very much for your time.

VERIFIED _____ BY _____

CODE	EXTERIOR RENOVATIONS
01	Roofing
02	New doors
03	New windows (not just replacing broken glass)
04	Siding or walls
05	Landscaping
06	Exterior painting
07	Fencing
08	Driveway/walkway paving
09	Verandah/porch/sundeck
10	Entrance steps
11	Patio
12	Eavestrough/soffit/fascia
13	Chimney
14	Weatherstripping
15	Pool/hot tub
16	Garage
17	Addition of room to house
18	Any other exterior renovations or repairs?

CODE	INTERIOR RENOVATIONS
20	Renovate, repair or add a bathroom
21	Renovate, repair or add a kitchen
22	Insulation
23	Carpets/floors
24	General plumbing
25	Interior painting/papering/plastering/drywall
26	General rewiring (panel box, service)
27	New light fixtures
28	Family/recreation room
29	New bedrooms/living quarters
30	Heating/air conditioning
31	Fireplace
32	Any other interior renovations or repairs?

THE FAMEX SURVEY

This Survey was undertaken by Statistics Canada in 1982. It collected a great deal of information on expenditures by families in all parts of Alberta on different items - among them, maintenance, repairs and replacements, additions, renovations and alterations and new installations. The definitions for these are provided on page 3 of the main body of the report.

The FAMEX Survey was completed by the respondent from a detailed questionnaire and thus is likely to have a greater degree of reliability than the HOMES (Alberta) Survey based on telephone interviews. However, the special tabulations obtained from Statistics Canada suppressed all data in which the number of respondents was less than 30. Also, the questions on the FAMEX Survey were less comprehensive for the purposes of much of the detailed analysis of household and dwelling characteristics than were the questions in the HOMES (Alberta) Survey which was designed with housing-related issues in mind.

The FAMEX Survey results presented in the report relate mainly to the aggregate numbers for spending on R&R rather than the details for which the HOMES (Alberta) Survey data were considered to be more appropriate.

The data are based on a FAMEX sample of 684 owner households in Alberta. A copy of the FAMEX Survey questions which relate to R&R is provided on the following pages.

9C07

C. SHELTER EXPENSES IN 1982 – continued

Repairs, Maintenance, Replacements, Additions and Alterations to owned living quarters in 1982. Report work done on vacation homes and other property on page 15.

ADDITIONS

Note: Include the cost of any equipment and built-in appliances that were part of the project

	Contract including labor & materials	Separate material cost	Separate hired labor cost
1 Structural additions	001	002	003
2 Garages and car ports	004	005	006
3 Inground swimming pools	007	008	009
4 Fences, walls, driveways	010	011	012
5 Landscaping	013	014	015

RENOVATIONS AND ALTERATIONS Include any finishing to new home

Note: Include the cost of any equipment and built-in appliances that were part of the renovation project

6 Both exterior and interior	016	017	018
7 Exterior only	019	020	021
8 Interior only	022	023	024

INSTALLATION AND REPLACEMENT OF EQUIPMENT & FIXTURES Separate installation not included in additions and renovations (6, 7 or 8)

9 Plumbing fixtures: replacements	025	026	027
10 Plumbing fixtures: new installation	028	029	030
11 Heating and/or Air conditioning: replacement	031	032	033
12 Heating and/or Air conditioning: new installation	034	035	036
13 Electrical: replacement	037	038	039
14 Electrical: new installation	040	041	042
15 Built-in appliances e.g. ovens, dishwashers, etc.: replacement	043	044	045
16 Built-in appliances e.g. ovens, dishwashers, etc.: new installation	046	047	048
17 Wall-to-wall carpeting: replacement	049	050	051
18 Wall-to-wall carpeting: new installation	052	053	054
19 Other replacement Specify	055	056	057
20 Other new installation Specify	058	059	060

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9C08

C. SHELTER EXPENSES IN 1982 – continued

Repairs, Maintenance, Replacements, Additions and Alterations to owned living quarters in 1982. Report work done on vacation homes and other property on page 15.

Indicate if structural extension is one or more of the following

- 001 ↓0 Bedroom
- 002 ↓0 Kitchen
- 003 ↓0 Greenhouse
- 004 ↓0 Family room
- 005 ↓0 Bathroom
- 006 ↓0 Shed, garden house
- 007 ↓0 Sunroom, solarium
- 008 ↓0 Porch, sundeck, balcony
- 009 ↓0 Other addition, Specify

Indicate if any renovation and alterations installed are one or more of the following:

- 010 ↓0 Floors refinished/sanded
- 011 ↓0 Floors carpeted, vinyl
- 012 ↓0 Bathroom remodelled
- 013 ↓0 New exterior walls
- 014 ↓0 Wall-to-wall carpeting
- 015 ↓0 Kitchen remodelled
- 016 ↓0 Doors, windows, dormers
- 017 ↓0 Electrical rewiring (entire)
- 018 ↓0 Basement & attic
- 019 ↓0 Additional insulation
- 020 ↓0 Piping system (entire)
- 021 ↓0 Other renovation, Specify

Indicate if installation or replacement was one or more of the following

- 022 ↓0 Bathroom fixtures
- 023 ↓0 Hot water tank
- 024 ↓0 Sinks, laundry tubs
- 025 ↓0 Other plumbing fixtures
- 026 ↓0 Furnace
- 027 ↓0 Central air conditioning
- 028 ↓0 Heat pump
- 029 ↓0 Other heating e.g. baseboard heaters
- 030 ↓0 Fireplace & woodstove
- 031 ↓0 Furnace flue cleaning
- 032 ↓0 Fireplace repair/insert
- 033 ↓0 Wiring, panel
- 034 ↓0 Burglar alarm, timer switches
- 035 ↓0 Other electrical

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C. SHELTER EXPENSES IN 1980 – continued

REPAIRS AND MAINTENANCE (Include service contracts)

	Contract including labour & materials	Separate material cost	Separate hired labour cost
	001	002	003
1. Painting (exterior and interior)	004	005	006
2. Wall papering	007	008	009
3. Wall and ceiling plastering, drywall, panelling, tiling	010	011	012
4. Hard surface flooring and wall to wall carpeting (excluding weekend)	013	014	015
5. Complete re-roofing	016	017	018
6. Eavestroughing & other roof repairs	019	020	021
7. Exterior wall including soffits, fascia, foundations and chimneys	022	023	024
8. Caulking & weather stripping, etc. (include replacement of insulation, vapour barriers, etc.)	025	026	027
9. Outdoor patios, fences & driveways	028	029	030
10. Heating & air conditioning system	031	032	033
11. Plumbing, n.o.s.	034	035	036
12. Electrical, n.o.s.	037	038	039
13. Carpentry, n.o.s. (including wooden flooring)	040	041	042
14. Other, specify _____			

NOTES AND COMMENTS

DERIVATION OF CLAYTON RESEARCH ESTIMATES OF REPAIR AND RENOVATION WORK IN ALBERTA

It was noted on pages 5 and 6 of the main body of the report that the official estimates of R&R work available from Statistics Canada seriously understated the total volume of R&R work in Alberta. In an effort to provide a more meaningful approximation of the importance of R&R work in Alberta compared to new construction, new estimates of the volume of R&R work were prepared by Clayton Research. These estimates are presented in the table on page 6 of the report.

The estimates are relatively rough and are intended only to represent the broad order of magnitude of R&R work. More reliable estimates will be available later in 1986 when Statistics Canada releases the long-awaited revisions to the official data on R&R work.

The derivation of the Clayton Research estimates is as follows:

- The FAMEX data provides estimates of the volume of homeowner R&R work in Alberta for both 1978 and 1982. These estimates are as follows:

  - 1982 - the table on page 5 indicates that the R&R expenditures by homeowners in 1982 was roughly $715 million.

  - 1978 - using a similar methodology, it is estimated that $486 million was spent on R&R by homeowners in 1978.

- There is no information from FAMEX on the volume of R&R work by renters and landlords. Also, the official Statistics Canada data does not disaggregate R&R expenditures into homeowner versus rental work.

  In order to incorporate the revised estimates of homeowner R&R expenditures derived above into estimates of total R&R work, it was necessary to formulate estimates of rental R&R. In the absence of data from other sources, the volume of rental R&R expenditures implicit in the official Statistics Canada estimates of total R&R were utilized. However, this required the formulation of an estimate of the shares of the official R&R estimates which are for homeowners and renters, respectively. These estimates were prepared as follows:

  - Repairs - from unpublished Statistics Canada information on repairs (presented on page 8 of the main body of the report), it was determined that 73 percent of total repair expenditures in Alberta in 1984 were on owner occupied dwellings. Based on total (official) estimated repair expenditures of $298 million, the estimated share of homeowner work therefore is $218 million.

  - Renovations - from building permit data (also presented on page 8 of the main body of the report), it is apparent that 92 percent of

the building permits issued for alterations and improvements in 1984 was for work on single-detached dwellings. Since 85 percent of single-detached dwellings in Alberta are owner-occupied, the share of the total value of building permits which would accrue to owner-occupied single-detached dwellings was calculated at 78 percent (0.85 of 0.92). However, many other types of dwellings also are owner-occupied and owners tend to do more renovation work than tenants and landlords. In the absence of firm data in this area, the figure of 90 percent was adopted as a reasonable estimate of the share of total renovations which were carried out by homeowners. Based on the total (official) estimate of alterations and improvements in 1984 of $209 million, the estimated homeowner share was estimated at $188 million (90 percent).

- Therefore, the total share of the official estimate of R&R activity in Alberta which was for ownership housing in 1984 was estimated at $406 million ($218 million for repairs and $188 million for renovations). This accounts for 80 percent of the official estimate of R&R. Conversely, 20 percent of R&R would be for rental housing.

- In the absence of other information, the figure of 20 percent of the official estimate of total R&R being for work on rental dwellings was assumed to be constant over the period under review. It is considered that this figure would be broadly representative of the volume of rental R&R.

- Using this 20/80 breakdown of the rental/ownership share of the official Statistics Canada R&R figures, the breakdown of the official estimates (in millions of dollars) by tenure is as follows:

	Total Official R&R Estimate	Renter (20 Percent)	Owner (80 Percent)
1978	400	80	320
1979	508	102	406
1980	519	104	415
1981	534	107	427
1982	508	102	406
1983	544	109	435
1984	516	103	413
1985	539	108	431

- FAMEX estimates of ownership R&R in 1978 and 1982 are much higher than the above shares of the official estimates:

  - For 1978, the FAMEX estimate of $486 is 152 percent of the estimated share of the official estimate; and

  - For 1982, the FAMEX estimate of $715 is 176 percent of the estimated share of the official estimate.

- For the purposes of the R&R estimates prepared for this study, it was assumed that the rental R&R figures were as indicated in the 20 percent share of the official total R&R estimates. It was further assumed that the official ownership R&R figures understated actual ownership R&R expenditures by the amounts shown previously - i.e., actual expenditures were 152 percent higher in 1978 and 176 percent

higher in 1982. For the 1978-1982 period, it was assumed that the understatement in the official R&R estimates increased progressively as shown in the table below. For the period after 1982, it was assumed that the 176 percent figure applied.

- Using this methodology, the derivation of the estimates (in millions of dollars) of total R&R activity in Alberta is as follows:

	Ownership R&R				
	80 Percent Of Official Estimate	Estimated Amount	Percent of Official	Rental R&R	Estimated Total R&R
1978	320	486	152	80	566
1979	406	641	158	102	743
1980	415	681	164	104	785
1981	427	726	170	107	833
1982	406	715	176	102	817
1983	435	769	176	109	878
1984	413	727	176	103	830
1985	431	758	176	108	866

As indicated previously, these estimates are very rough and are provided only as a means of indicating the broad order of magnitude of R&R expenditures in Alberta. Formulation of these estimates was considered necessary because of the extreme understatement in the official Statistics Canada figures on R&R work in the province.